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ESTABLISHED 1887

Washington Ties Sudan to Bomb Plot In New York

State Department Set To Include Khartoum On Its Terrorism List. By Irvin Molotsky. WASHINGTON — The United States has evidence that Sudan played a role in the plot to bomb the United Nations and other targets in New York in June, according to a State Department official.



SCHOOLBOOKS AND GUNS — Children rushing past guards Tuesday after the first day of school in Zvornik. In Dobrinja, 12 people were wounded by artillery fire. Page 5.

Record Yen Pushes Tokyo To Spread The Wealth

After Years of Neglect, Japanese Consumers Await Increased Clout. By Steven Brill. TOKYO — The yen soared to a postwar high in Tokyo on Tuesday, increasing pressure on the Japanese government to share some of the currency's strength with the nation's long-neglected consumers.

Armenia's Cruel Choice: Nuclear Risk or Loss of Lake

By Raymond Bonner. MEDZAMAR, Armenia — The choice for Armenians is stark — reactivate a nuclear power plant that has been closed for years for safety reasons or turn to hydroelectric power by draining water from their treasured alpine Lake Sevan, and risk losing the lake. Last winter, people cut down trees and telephone poles and burned books and furniture for heat. Thousands died of cold and starvation.



Kiosk



HOT PROTEST IN TAIPEI — A rightist protester giving water to a colleague after he fainted Tuesday during a hunger strike at the ruling party congress. Page 2.

Diphtheria Hits 50 at a Russian Outpost

Once-Controlled Infectious Diseases Continue to Spread. By Fred Hiatt. MOSCOW — A growing diphtheria outbreak was reported Tuesday to have infected 50 Russian soldiers in a Siberian outpost, as diseases once thought under control continued to resurface in the former Soviet Union.

In South Africa, Blacks' Deadly Taxi War

By Bill Keller. JOHANNESBURG — You could say Elias Mahlangu, who was pulled from his minivan on July 10 and shot through the head with his own pistol, was a casualty of market forces.

Forbidden Fruit Puts Japan and U.S. in Discord

By Timothy Egan. WENATCHEE, Washington — Pampered and protected like nothing else on the American farm, Columbia River apples grown specifically to break a 22-year Japanese trade ban are taking on a bluish of red, a few weeks shy of harvest.

U.S. Tries Again to Bar Demjanjuk

CINCINNATI (Reuters) — The U.S. government made a last-ditch effort Tuesday to prevent John Demjanjuk from returning to the United States, telling a federal court that he had no automatic right to return if Israel freed him.

Year-Old Scars in Florida From the Great Hurricane

By William Booth and Christina Sherry. MIAMI — A year ago Tuesday, skies over Miami were sunny as a tropical storm moved away from the Cape Verde Islands off West Africa. Few people realized that their lives were about to change forever.

General News

President Clinton tries to ease the burden on business of his health plan. Page 3. Stewart Gaenger, a swashbuckling Hollywood adventure star, is dead at 80. Page 3.

Business/Finance

The AT&T buyout of McCaw creates new winners and losers for investors. Page 11. Book Review Page 7. Weather Page 18.

Market data table showing Dow Jones (7.83, 3,583.98) and Trib Index (0.30%, 107.85).

Table showing exchange rates for The Dollar (New York, Tokyo, London, etc.) and Gold prices.

هكذا من الأصل

# South Africans Agree to Return Walvis Bay to Namibia

Compiled by Our Staff From Dispatches

JOHANNESBURG — Pretoria's decision to return Walvis Bay, its last colonial holding in Africa, to Namibia has been praised by the Windhoek government but condemned as a sellout by South Africa's white nationalists.

Delegates at South Africa's democracy negotiations adopted a resolution late Monday calling for the only deep-water port on the Namibian coast to be returned to Namibia "as a matter of urgency."

The surrender of Walvis Bay could make Namibia independent of South Africa's railroads and ports.

Until last week, Pretoria had maintained that Walvis Bay would remain part of

South Africa, a stand opposed by the African National Congress and other black parties.

But in an about-face, Foreign Minister P.F. Botha told negotiators: "We agree that Walvis Bay and offshore islands should be returned."

The port, which had been ruled by South Africa since 1910, has been under joint administration since November.

Frank Le Roux, spokesman for the Conservative Party, said Tuesday that South Africa's multiparty negotiators, who instructed the government to hand over the bay and several islands to Namibia as soon as possible, did not have the power to order such a decision.

"The negotiating council has no status in this regard," he said.

President Frederik W. de Klerk's National Party government had succumbed to the African National Congress and the South African Communist Party, he charged.

"We condemn it," Mr. Le Roux said. "It's a sellout." He charged that the government was "putty in the hands" of the ANC-Communist alliance. His party walked out of the democracy talks last month in protest at April 27 being set for South Africa's first multiracial election.

Negotiators asked "the South African and Namibian governments to meet on an

urgent basis to finalize the incorporation of Walvis Bay and the offshore islands into Namibia at the earliest opportunity."

The decision was the first by the multiracial negotiating forum, rather than the white-dominated Parliament, to substantially alter the shape of South Africa.

The National Party had wanted Walvis Bay incorporated into the Western Cape region in a post-apartheid South Africa. But it was forced to buckle to pressure from black opposition groups at the conference guiding South Africa's transition to black rule.

Foreign Minister Botha said Tuesday that the port's eventual transfer had been

under discussion since Namibian independence three years ago.

Mr. Botha, once reputed to have said Walvis Bay was to South Africa what Alaska was to the United States, said: "We agree that Walvis Bay and the islands should be handed over. Just give us a chance to work out how."

Namibia described the decision as "the moment all Namibians have been waiting for."

Its deputy information minister, Wilfred Enyula, said it hoped to speed up the transfer.

"We are delighted by this news, as will be everyone in Walvis Bay," he added. (Reuters, AFP)

## WORLD BRIEFS

### Arabs Demand to See Chinese Cargo

DUBAI (Combined Dispatches) — The United Arab Emirates is demanding to check the cargo of a Chinese ship believed to be carrying chemical-weapon materials before allowing transshipment to Iran, shipping sources said Tuesday.

Washington says the cargo ship, the Yinhe, is carrying banned chemical weapon additives among its cargo, but Beijing says it has only paper goods, hardware and machine parts on board.

The Yinhe, which is being shadowed by U.S. Navy ships, has asked permission to enter a port of the Emirates. Most of the 2,500 containers it is carrying are not bound for Iran. About 500 were destined for unloading in Dubai, and some of these are for transshipment to Iran. (Reuters, AP)

### Japan Can't Have Kurils, Russia Says

MOSCOW (AFP) — Prime Minister Viktor S. Chernomyrdin said Tuesday that Russia would "never" return the four main Kuril islands to Japan and asserted that the dispute over them was not an issue, the Interfax news agency reported.

Mr. Chernomyrdin made the pledge to Russians on Iturup Island during a visit to the remote chain, which is inhabited mainly by small numbers of Russian civilians and military personnel and aboriginal Ainu. The four main islands in the Kuril chain north of Japan — given by Soviet Russia to Japan in 1875 in exchange for Sakhalin Island — were occupied by Soviet troops at the end of World War II.

Japan, backed in word by the United States and other Western countries, has demanded their return and has been reluctant to extend aid and close cooperation to Moscow until the dispute is resolved. The issue has prevented completion of a peace treaty between Moscow and Tokyo.

### Azerbaijanis Said to Flee Armenians

MOSCOW (AFP) — Tens of thousands of Azerbaijanis were reported Tuesday to be fleeing advancing Armenian troops in fighting in southwest Azerbaijan, near the disputed enclave of Nagorno-Karabakh. The death toll was said to be in the hundreds.

The Azerbaijanis in Moscow said Armenian forces were at the doors of the towns of Fizuli and Dzebrail. "There are hundreds of people killed or wounded among the civilian population, and refugees are in the tens of thousands," the mission added.

Foreign Minister Ali Akbar Velayati of Iran was due to arrive Tuesday in Baku, the capital of Azerbaijan, for talks on Tehran's concerns that Azerbaijanis fleeing the war might flood across the border into northern Iran.

### 2d Kohl Critic Bolts to Rightist Party

BONN (AP) — For the second time this year, a legislator from East Germany belonging to Chancellor Helmut Kohl's party has defected to a nationalist party.

Matthias Ritzer, 42, a member of the Thuringia state assembly, said Mr. Kohl's "inability to resolve Germany's economic problems led to his decision Tuesday to quit the Christian Democrats and join the Republicans Party. The Christian Democrats demanded that he resign his seat. Ritzer had showed about 5 percent of the population would vote in next year's national elections for the Republicans.

Mr. Ritzer had lost influence in the party after an investigation found he had been an informer for the East German secret police, the Stasi.

### Doctor Backed on Rejecting Smoker

LONDON (Reuters) — A doctor won support from British health officials Tuesday for having refused to treat a smoker with heart problems who later died. His widow denounced the medical decision, and smokers' rights groups threatened to sue.

Harry Elphick, 47, was denied tests for a possible heart bypass operation at Wythenshawe Hospital in Manchester because he was a heavy smoker. Mr. Elphick, who had already suffered one heart attack, stopped smoking so he could have the tests but died Friday, a week before doctors had finally agreed to see him.

"It shouldn't have mattered whether he smoked or not," his widow, Pat Elphick, 43, said. "He should have been given treatment. It is wrong and quite disgusting." Marjorie Nicholson, a spokeswoman for the Freedom Organisation for the Right to Enjoy Smoking Tobacco, said her group was talking to lawyers about a possible lawsuit.

### Bishops See U.S. 'Plot' in Abortions

MANILA (WP) — In its latest assault on artificial birth control, the Philippines' Roman Catholic Church has come up with a new explanation for the government's family planning program: It's all an American plot.

According to Bishop Teodoro Bacani, a spokesman for the Catholic Bishops Conference of the Philippines, the government birth control program was spawned by U.S. "demographic imperialism." He cited a formerly classified 1974 study by the U.S. National Security Council on global population growth and American interests.

Asked if family planning in the Philippines could be considered a U.S. plot, the Reverend James Reuter, a spokesman for the Catholic Bishops Conference, referred to the study and said, "That's exactly what it implies." He added, "Certainly there is a strong belief in key quarters that the family planning program comes to the Philippines from U.S. AID complete with taxpayers' dollars." AID is the acronym for the Agency for International Development. He said the threats involved making new loans contingent on meeting population targets. Fidel V. Ramos, the country's first Protestant president, is trying to revive a family planning program.

### STORM: Scars in Florida

Continued from Page 1

by pockets of stagnation and while neighborhoods of squalor, because the hurricane clearly exposed the difference between rich and poor.

"One of the most disturbing things is the disparity, in terms of ethnic and racial differences, in insurance coverage and the reports of underpayments and the consequences for their recovery," said Walter Peacock, a sociologist at Florida International University, who recently surveyed residents on the aftermath of the storm.

The survey found that, while 16 percent of white Dade County residents had no insurance, the numbers for others were higher — 31 percent of Cubans, 44 percent of blacks and more than 40 percent of non-Cuban Hispanics.

Mr. Peacock said those homeowners who lacked insurance face significant difficulty rebuilding, if they rebuild at all.

"There's a lot of people still living in houses that are condemned," he said, "where the hot water comes out of a hose in the back of the house, or two people sleeping on a mattress in a house without windows. I can't tell you who is displaced and who is homeless."

"People are still dealing with the hurricane," said Gail Jaffe, a psychotherapist at Alliance for Psychological Services.

When a tropical storm appeared in the Atlantic this month, many Floridians simply went to buy batteries and plywood. But others, at least momentarily, freaked out. The storm never came close.

### TRAVEL UPDATE

#### Kurdish Guerrillas Threaten Resorts

BRUSSELS (Reuters) — A Kurdish separatist group said Tuesday that attacks could be carried out in popular tourist spots such as Bodrum and Izmir in western Turkey as part of the Kurdish separatist struggle.

The National Liberation Front of Kurdistan said in Brussels that tourist spots in western Turkey could be targeted. The group has been kidnapping tourists sporadically in southeastern Turkey, a region where the conflict has become virtually a civil war. It was reported to have taken three more tourists hostage after releasing six. "All tourist spots are in our region of war," a representative said.

He said possible targets could include the resorts at Bodrum and Izmir. "Kurds living in these areas will take action against tourist facilities," he warned. The group said tourists should get their permission before traveling in the southeastern region, where more than 6,900 people have been killed since 1984.

Britain again warned its citizens about danger in southern Egypt after a cruise boat carrying 40 British passengers was fired upon on the Nile. The shooting followed a spate of attacks by Muslim fundamentalists on tourists. (AP)

BAA, the group in charge of British airports, has signed a contract with British Rail to build an express train link between Heathrow airport and central London. It will cost £200 million pounds (\$440 million). More than 6 million passengers a year are expected to use the train when it starts service in December 1997 after four years of construction. (AP)

Romanian train drivers declared hunger strikes Tuesday and pressed on with a crippling week's stoppage in defiance of an appeal by President Ion Iliescu to resume work. The strike has brought to a standstill rail traffic since Aug. 11. But the president of the railroad, Aurel Dumitrescu, said engineers were returning to work in some places.

The Italian police have stepped up patrols of Pompeii after warnings that the ruins could be an easy target for bombers. "I don't believe we can protect the excavations 100 percent, but we are doing what we can," Pompeii's supervisor, Baldassarre Canticello, said. He added he was most worried about the outside wall, 3.5 kilometers (about 2 miles) long, which until recently was unprotected and accessible to cars. (Reuters)

## TAXI: Warfare on Minivan Wheels

Continued from Page 1

workers who were ordered from their taxi by armed men, interrogated about their tribe and political party, forced to lie face down on the ground and shot, one by one, in the back.

"The two main sources of killing in this country are political affiliation and taxi associations," said Samkelo Kumalo, editor of the industry newsletter Taxi Talk.

"Sometimes it is impossible to tell which is which."

The taxi industry began as an illicit stepchild of apartheid, and later fell into official favor.

When the white government banished blacks to remote homeland ghettos and black townships, it subsidized buses and trains to deliver the "foreign" sojourners to their jobs in white South Africa.

To protect its transport monopoly and prevent blacks from gaining a permanent economic foothold, the government discouraged black taxis with a welter of daunting regulations.

The government's change of heart was reflected in a 1984 report, which said black businessmen were less likely to be political revolutionaries and called for the relaxation of all measures restricting their development.

Prodded by the increasingly powerful black taxi association, the government legalized the 16-passenger minivan taxis that are now the industry standard, and issued a blizzard of permits. By the end of the decade, the taxi industry was being hailed by one economist as "the flagship of the informal sector."

Taxi drivers took business from the buses and trains by undercutting fares, serving more flexible routes and offering customers the satisfaction of patronizing black business.

The taxi industry, which comprised a few hundred six-seat sedans in the late 1970s, is now estimated at anywhere from 80,000 minivans to nearly twice that many, perhaps half of them unlicensed pirate cabs.

"What's the old saying, 'Have gun, will travel'?" said Daniel J. Rossouw, the chairman of a commission that has been investigating taxi violence since early last year. "The moment you've got a car, if you dare, you travel — no license, no driver test, no insurance."

Only one black South African in 100 owns a car — compared with one out of two whites — so taxis are

indispensable. A squatter camp of a few hundred shacks will have regular taxi service before it has a water tank.

Black taxis pack in riders at designated pickup points, leaving when full and charging a fixed rate. In rush hour they race at speeds that have earned them both a reputation for being suicidal and the nickname Zola Budds, after South Africa's Olympic distance runner.

In South Africa, blacks live by the taxi, and with harrowing regularity, they die by the taxi.

The recession that hit South Africa in 1990 afflicted the taxi industry with rising costs and declining ridership.

In part because of trade sanctions against the apartheid government, a minivan that cost \$10,000 in 1987 costs about \$25,000 today. At the same time, layoffs in industry have meant fewer passengers commuting to work. And community pressures have prevented fares from rising.

To meet their bank payments, taxi owners push their drivers to meet impossible quotas, said Mphikeleli Sibanyoni, an organizer for the fledgling South African Taxi Drivers Union, which has enrolled 9,000 members despite strong owner resistance.

Drivers, who are paid \$250 for a month of 14-to-18-hour days, are encouraged to overlord their cabs, ignore speed limits, skip safety inspections, drive weary and yield no ground to competitors, he said.

### Paris Protest Is Planned On African's Drowning

PARIS — Two anti-racist groups called Tuesday for an investigation into the death of an African who jumped into the Seine to escape an identity check and drowned. The movements said they would stage a protest rally on Wednesday at the Pont Neuf, the bridge where the incident took place.

Reports said the unnamed man could only produce a photocopy of his documents and jumped into the river when police asked him to come to the police station. The photocopy of the man produced was of a provisional French residence permit identifying him as a Zaire-born Angolan named Andre Nkala, 29.



A LESSON FOR DHAKA PROTESTER — A policeman kicking a student during a clash between pro- and anti-government demonstrators at Ali Kadrasba, a religious school in Dhaka, Bangladesh. At least 12 students were hurt in the violence in the capital.

## Olympics or Not, China Jails a Dissident

Compiled by Our Staff From Dispatches

BEIJING — A Beijing court has sentenced a student to three years in prison for activities that promote the democracy movement, a source said Tuesday.

The source said Liao Jian, a graduate student at People's University in Beijing, was sentenced earlier this month for planning activities to mark the anniversary of the 1989 crackdown on the democracy movement.

The sentencing came five weeks before the International Olympic Committee is to decide which city will host the 2000 Olympics. China's critics, including U.S. congressmen, have argued that Beijing should not be awarded the games because of its human rights record.

In a related development, the U.S. Embassy on Tuesday "deplored" China's decision to expel Han Dongfang, a leading labor activist who had just returned to the country.

Mr. Han, who founded China's first independent trade union and was jailed for 22 months after the crackdown, was manhandled and sent across the border into Hong Kong during the weekend after he tried to return to China.

"This action runs counter to Article 13 of the Universal Declaration of Human Rights, which provides that everyone has the right of return to his or her country," the statement said.

The statement recalled that, as part of the U.S. decision in May to

extend China's most-favored-nation trade status, President Bill Clinton issued an executive order that called on China to respect the rights declaration.

"As part of our dialogue with the Chinese on human rights," the statement said, "Assistant Secretary John Shattuck plans to visit China to review the executive order and our serious concerns about human rights conditions in China."

The sentencing of Mr. Liao, a student in the philosophy department, resulted from his arrest in June 1992, along with a friend, Wang Shengli, for distributing 4,000 mimeographed leaflets on Beijing University campus.

The leaflets called for teachers

and students to wear white shirts and black armbands in memory of those killed during the crackdown and to petition the government for political reform. White is the traditional color of mourning in China.

The two also hung a banner from a dormitory that read, "We have not forgotten June 4."

Mr. Wang, who had just received his master's degree in philosophy from People's University, was arrested with Mr. Liao and charged with the same crimes. He was released in May.

As part of Beijing's bid to be host of the 2000 Olympics, China has granted early releases to several prominent dissidents and Catholic clergy this year. (AP, Reuters)

## Leader Averts Rift in Taipei Party

TAIPEI — President Lee Teng-hui intervened to avert another split in his ruling Nationalist Party on Tuesday by pushing through a key internal change demanded by party rebels.

Mr. Lee, who is also party chairman, made an unscheduled appearance before about 1,500 delegates at the party's 14th congress to persuade them to approve a motion creating the post of deputy chairman.

The congress, which had rejected the motion earlier in the day during a stormy session in which delegates screamed insults and came to blows, passed it by acclamation after Mr. Lee's appeal.

Hundreds of dissident delegates, who want to see the vice chairmanship as a power base, had threatened a walkout if the action was blocked.

"I believe future party chairmen will take into

consideration party unity and harmony as well as domestic political stability when nominating their vice-chairmen." Mr. Lee told delegates.

The congress also approved changes designed to make the party more democratic and heal deep divisions that threaten its grip on power.

It decided to introduce elections for at least 16 members of the party's 31-member central standing committee. Previously, all members were nominated by the chairman and confirmed by the party.

The Kuomintang leadership, which faces local government elections in November, is trying to quell the most serious dissent in its ranks since the loss of the Chinese civil war in 1949.

Party rebels accuse Mr. Lee of delays on reform and failing to stamp out corruption. Last week a group of legislators broke away to form their own party — the first formal split in the Kuomintang in four decades.

## Seoul Is Investigating 2 Presidents

The Associated Press

SEOUL — Government investigators said Tuesday that they had asked two former presidents to answer questions on their role in questionable military arms purchases and construction projects.

It was the latest step in the anti-corruption drive by President Kim Young Sam and marked the first time that any former president had been asked to cooperate with investigations connected with possible official misconduct.

Hwang Young Ha, a senior inspector at the Board of Audits and Inspections, said former Presidents Chun Doo Hwan and Roh Tae Woo had been sent questionnaires and asked to return them next week. It was not clear whether they would cooperate.

There has been no evidence that either Mr. Roh or Mr. Chun themselves received kickbacks or payoffs in office, but Mr. Kim's campaign has resulted in the arrest, firing or disciplinary action against more than 3,000 business, government and military officials.

Mr. Roh, president from 1988 until this February, has been asked about the 1991 decision to buy 120 F-

16 fighters from General Dynamics Corp. instead of the F-18 from McDonnell Douglas that previously had been agreed upon, officials said.

There have been allegations that bribery and kickbacks were involved in the reversal of the decision, which went against the recommendation of the air force.

Mr. Chun, who took over as president in 1980 and preceded Mr. Roh, is being questioned on the plan for the construction of a multimillion-dollar "Peace Dam" against possible flood attacks from North Korea, officials said.

Recent reports revealed that the threat of such an attack had been exaggerated and falsified. Construction has been suspended.

Mr. Kim's reforms and investigations of misconduct carried on during past governments have forced dozens of senior military officials to resign.

Last month, former senior military officials, including former air force and navy chiefs of staff and the former defense minister, were arrested on charges of taking bribes from arms dealers.

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# STATESIDE / ADDRESSING A PROBLEM

## ★ POLITICAL NOTES ★

### A Blue-Sky Try to Cut Federal Red Tape

WASHINGTON — In the offices that serve as the headquarters for Vice President Al Gore's crusade to bring badly needed efficiency and economy to the federal government, James a quotation from the former plant manager of a Communist-era Soviet machine tool factory.

"I can't stand this proliferation of paperwork. It's easier to fight the forces. You've got to kill the people producing them."

What a haunting thought! It almost certainly was shared by the federal worker who wrote to Mr. Gore complaining that 23 people had to sign 23 forms before she was able to get a personal computer for her desk.

Similar horror stories about government inefficiency are piling up at the rate of 2,000 a week at Mr. Gore's National Performance Review panel, which occupies rented space above President Bill Clinton's favorite downtown McDonald's restaurant.

The initiative — also known as RIGGO, jargon speak for "reinvigorating government" — has become something of a nationwide suggestion box for federal employees. It's overhauled.

There are the predictable tales — the Justice Department paying \$40 to a landscaping service to cut the lawns of seized homes in Atlanta when local contractors are willing to do the job for \$10 each; the Defense Department refusing to pay \$30 for meals for an employee who saved \$500 on air fare by staying over a Saturday night on a business trip.

But achieving small economies is not what really inspires the 200 denizens of the RIGGO office. Their quest is nothing less than remaking the federal government in the image of the nation's most successful private businesses. The enterprise is under orders to produce recommendations by mid-September.

In the government of Mr. Gore's vision, if the manager of a post office can find a more efficient way to sell stamps or sort packages, he should be able to carry out his ideas without going through a dozen layers of bureaucracy.

The idea, says Bob Stone, project director for the National Performance Review, is for government to put the customer — not the rule book — first. (LAT)

### For the President, a Little Time in Little Rock

SPRINGDALE, Arkansas — A vacationing Mr. Clinton returned to Arkansas for a brief vacation stay and was welcomed by a cheering crowd of hundreds. "It's wonderful to be home," he said.

One woman who greeted the president wore a T-shirt reading, "The Mice in Little Rock Are Nothing Compared With the Rats in D.C." A laughing Mr. Clinton said, "I love it, I love that T-shirt."

Asked what he planned to do during his two-day stay, he said: "Rest, talk to people, have a good time." He flew here from Tulsa, Oklahoma, where he addressed the National Governors' Association.

Mr. Clinton is spending two nights at the waterfront home of his longtime friends Jim and Diane Blair on Beaver Lake near Springdale in northwestern Arkansas. He plans to return to Washington on Wednesday and then start an 11-day stay on Martha's Vineyard, off the coast of Massachusetts. (AP)

### For Senators, Political Action Folks Pay 25%

WASHINGTON — Money from special-interest political action committees accounted for almost 25 percent of the nearly \$25 million raised during the first half of the year for 1994's 34 Senate races, campaign finance reports show.

Daniel Patrick Moynihan, Democrat of New York, chairman of the Senate Finance Committee, received \$474,027 of the \$6 million doled out by the action groups, more than any other candidate.

Mr. Moynihan's campaign brought in \$767,474 in individual donations and has more than \$1.5 million in cash on hand, according to the Federal Election Commission.

From Jan. 1 through June 30, contributions from individuals accounted for \$17 million, or 69.2 percent of the total raised by the 52 candidates in the races so far, the commission reported. Action committee money totaled \$6 million and represented 24.5 percent of the receipts.

The commission said contributions during the first half of 1993 were running somewhat behind previous years. In the first half of 1989, 43 candidates reported raising \$29.3 million and spending \$9.6 million. Fifty-five Senate campaigns raised \$33.3 million and spent \$10 million during the first six months of 1991. (AP)

### Quote / Unquote

"The bottom line is this has to be sold to people who have health insurance if this is to be politically winnable," said David Wilhelm, chairman of the Democratic Party. "I think that we can convince people that after year after year of skyrocketing premiums that we can do something to bring down the costs." (NYT)

### Away From Politics

• Dr. Jack Kevorkian was charged with assisting a suicide, a felony under a new Michigan law, for his role in the death of a 30-year-old man with amyotrophic lateral sclerosis. The Wayne County prosecutor, John O'Hair, said there were problems with the law, but said he hoped the prosecution would force legal and legislative action to address the question of whether the act should be a crime.

• A kidnapped man was found buried alive after 12 days in a bunker near the Hudson River in New York. Detectives followed two suspects as they hauled more than \$2 million in ransom money from a park and later arrested a longtime employee of the victim — Harvey Weinstein, 68, chairman of the largest U.S. maker of tuxedos — and the employee's brother.

• Less than 48 hours before Gary Graham was to die by lethal injection, the Texas Court of Criminal Appeals granted him a stay of execution. Graham has been on death row since 1981, when he was convicted of murdering a man during a robbery.

• Sporadic rainstorms in the last week have slowed the already slow retreat of swollen rivers, delaying barge traffic and navigation rechartering on the Mississippi, which actually rose in a few places. A storm that dumped as much as 10 inches of rain in southern Minnesota and northern Iowa sparked flash floods.

• Two pregnant women who were told last month that they had tested positive for the virus that causes AIDS, only to discover that they were HIV-negative, were probably misdiagnosed because of mishandling of their blood specimens at the Brooklyn hospital where they were tested, New York officials said. (AP, NYT, LAT)



DOWN HOME — President Bill Clinton joking with Arkansas police in Fayetteville. He will go to Martha's Vineyard on Wednesday.

## Stewart Granger, Action Film Star, Dies

LOS ANGELES — Stewart Granger, 80, the dashing star of such adventure films as "The Great White Hunter" and "King Solomon's Mines," died of cancer Monday in Santa Monica, California.

Born James Lablanche Stewart in London, he started out on the stage. His film debut was in the 1933 British production of "A Southern Maid."

"I hated being called a movie star — it never seemed a very worthwhile thing to be," Mr. Granger said in 1981. Nonetheless, he made more than 60 films in his career, first in Britain and then in the United States.

A British screen idol for the first quarter of his career, Mr. Granger was virtually unknown in the United States until 1950, when he was cast opposite Deborah Kerr as the intrepid explorer Allan Quartermaine in "King Solomon's Mines."

By that time, the actor — who was known to his friends as Jimmy Stewart — had been forced to adopt the stage name of Stewart Granger so fans would not confuse him with the American star.

The role of Quartermaine, a hunter whose aid Miss Kerr enlists in a search for her missing husband, established Mr. Granger in Hollywood as a swashbuckling leading man. For the next two decades, he stayed in the United States, starring in such adventure classics as the 1953 remake of "The Prisoner of Zenda," "Scaramoche," and "Bean Brummell."

In 1956, he became a U.S. citizen, but he continued to act in Europe as well as in the United States.

Robert M. W. Kempner, 93, Counsel at Nuremberg Trials

Robert M.W. Kempner, 93, who was deputy chief counsel for the United States at the Nuremberg war crimes trials and wrote about the Nazi era, died Sunday in Frankfurt, Germany, where he practiced law.

He had been in ill health for months, but continued to do some work on his legal practice.

Mr. Kempner was born in Germany, spent his early years there, and became a high-ranking legal adviser to the police in Prussia and an opponent of Nazism. He left Germany after Hitler came to power and settled in the United States, where he joined the staff of the Institute of Local and State Government at the University of Pennsylvania.

While Mr. Kempner worked with the team of prosecutors at the Nuremberg trials that followed the Nazi surrender at the end of World War II in Europe, his familiarity with German police methods provided useful insights into the Nazis' own ways.

Pierre Desgraupes, 74, French TV Innovator

PARIS (AP) — Pierre Desgraupes, 74, the former president of Antenne 2 television who helped create the country's first investigative TV news magazine, died of cancer Monday of near Paris.

Mr. Desgraupes was co-founder of Cinq Colonnes à la Une, (Five Columns on the Front Page), an investigative show on state television that first aired in 1959 and ran for a decade.

Diana Holman-Hunt, 79, Art Critic and Memoirist

LCNDON (AP) — Diana Holman-Hunt, 79, art critic and author of memoirs of her artistic family, died Tuesday.

She spent much of her early years in the care of her grandmothers, both well-connected in society and the subject of her first book, "My Grandmothers and I," in 1960.

Her paternal grandmother was the widow of William Holman Hunt, who founded the Pre-Raphaelite Brotherhood in 1848 with his fellow painters John Everett Millais and Dante Gabriel Rossetti.

## Clinton Tries to Cut Burden on Business In His Health Plan

By Douglas Jehl  
New York Times Service

TULSA, Oklahoma — Appealing for support from the "vital center," President Bill Clinton has put forward the broad outlines of his plan to guarantee health care for all Americans, in part by requiring all employers to provide insurance coverage for their employees.

While Republicans and small-business advocates warned that the plan could result in the loss of millions of jobs, the White House said it intended to ease the burden on employers by recommending that the plan not take full effect for five to seven years.

A senior adviser to Mr. Clinton said the delay would allow the government to use money saved by cost-control measures in the first phase of the plan to subsidize the costs of small and low-wage businesses that otherwise could not afford to buy insurance for their workers. The percentage of payroll costs that employers would be required to pay range from 3.5 percent for the smallest business to 7 percent for larger ones.

"I don't pretend to have all the answers," Mr. Clinton said Monday in his first speech on health care since becoming president, "but I am absolutely sure that this is a problem that America cannot let go, that we cannot walk away from." He said a failure to adopt changes now would send the cost of health care skyrocketing to 19 percent of gross national product by the end of the decade from today's 14 percent, which is already the highest rate in the world.

The details of the White House proposal will not be released until next month, but the sketch presented by Mr. Clinton and his top aides offered the clearest picture yet of his long-promised plan to slash the cost of health care while extending coverage to the 37 million Americans who lack health insurance.

Besides mandating employer-paid insurance, the plan Mr. Clinton discussed would seek to do the following:

- Guarantee health coverage to every American, with people paying "in proportion to what they can afford."
- Develop a system of insurance-buying cooperatives in each state, through which most individuals and businesses would be offered a selection of health plans, enabling small businesses to get better insurance rates than they usually do today.
- Slow the increase in health spending by encouraging competition among health plans and by setting overall health budget ceilings for each state.
- Allow self-employed people to deduct 100 percent of their health insurance costs from taxes instead of the current 25 percent.

Mr. Clinton made it plain in his address to the National Governors' Association on Monday that his effort would seek first to reduce health care costs by revamping the insurance system and reducing government red tape. Only then, his advisers said, would the government require all employers to provide coverage to their employees.

But many crucial questions about the proposal remain unanswered, including which businesses and individuals will receive subsidies to help buy health insurance; how much the subsidies will cost and exactly where all the money will come from; what benefits will be included in the standard insurance package Mr. Clinton said would be offered to all Americans, and how national or state health spending ceilings will be determined and enforced.

In his 45-minute address to the governors, Mr. Clinton also made clear that he had rejected health care alternatives that would have established a Canadian-style system.

By putting the financial burden on employers, Mr. Clinton said, his administration will build on a central feature of the current health care system. He said he regarded the approach as "the fairest way to go." Most of the country's businesses, including nearly all larger ones, already help pay for health insurance for their employees. But some smaller companies and those that pay low wages say they cannot afford it.

## Is It Time to Play Taps For Selective Service?

By Guy Gugliotta  
Washington Post Service

WASHINGTON — In the old days, a simple notice came in the mail advising young men to report to the local draft board. For much of the past half-century, the threat of being drafted faced every American male on his 18th birthday.

But on June 28 the House of Representatives — virtually unopposed — voted 207 to 202 to end funding for the Selective Service System, the agency that administers the military draft.

If the Senate follows suit, Selective Service will be a memory by Christmas.

"I cannot believe we need this," said Representative Fortney H. (Pete) Stark Jr., Democrat of California, during the floor debate.

"Why would we spend \$30 million a year to get a list of names of the young men who turn 18?" he asked. "It eludes me."

Actually, it's \$28 million.

Since President Richard Nixon abolished the draft in 1973, Selective Service has merely collected names of 18-year-old men so it can put a draft into effect if necessary. For this it needs 267 full-time employees.

In 1972 it had 8,000.

The rationale for eliminating the agency, as advanced by Mr. Stark and others, is that the Soviet Union is gone and, as illustrated by the Gulf War, the all-volunteer armed forces can handle most any emergency.

Still, the agency has plenty of friends in Congress, who believe, like Representative Gerald B. Solomon, Republican of New York, that "threats to national security and world peace can occur at any moment."

It is therefore a good idea, they say, to have a ready list of able-bodied men, especially when the active-duty armed forces are being reduced because of budget cutbacks and the end of the Cold War.

The assistant director, Lewis C. Brodsky, an army veteran who handles Selective Service's public relations, remains affable in adversity.

"We always say that we know we're never going to be popular," he acknowledged.

Mr. Brodsky is an avid student of Selective Service history and a collector of agency memorabilia. His office displays the glass bowl used in the 1969 Vietnam-era lottery (the one in which Bill Clinton drew number 311).

There are, he said, "plenty of ghosts around here."

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# Hezbollah Steps Up Attack on Buffer Zone in Lebanon

**Compiled by Our Staff From Dispatches**  
**MARJAYOUN, Lebanon** — Pro-Iranian guerrillas on Tuesday launched their fiercest attack against Israel's self-declared security zone since a cease-fire halted an Israeli blitz of south Lebanon last month, security sources said.

The attack by guerrillas of Hezbollah was the second on the buffer zone in less than 24 hours. On Monday, Hezbollah fighters fired rockets at an Israeli patrol in the eastern sector of the zone.

In the latest attack, they first fired anti-tank rockets and mortar bombs at three posts of Israel's surrogate South Lebanon Army militia on the edge of the buffer strip, the security sources said.

The guerrillas then advanced to about 275 meters (300 yards) from the posts and exchanged machine-gun fire and rocket-propelled grenades with militiamen, the sources said. There were no reports of casualties.

The militia retreated by shelling the hills facing the two posts for ten minutes, the sources said.

Last month the United States arranged a cease-fire that ended a week of Israeli attacks on the south and Hezbollah rocket attacks on northern Israel.

(Reuters, AP)



Ailing Palestinian detainees in southern Lebanon at a sit-on Tuesday to demand that all be allowed to return to Israel before December.

# Israel and PLO: Much Ado Over Fig Leaf

**By Clyde Haberman**  
*New York Times Service*

**JERUSALEM** — At the opening conference of the Middle East peace negotiations in Madrid two years ago, the Israeli delegation was led by the prime minister at the time, Yitzhak Shamir, who has only contempt for the Palestine Liberation Organization. Yet the moment he took his seat at the large conference table, he was in effect talking with the PLO.

Mr. Shamir, former leader of the Likud party, would deny that that was the case. One demand he made before going to Madrid was that Israel would talk only with Palestinians

the officials say, except now some of its leaders have new titles of dubious significance.

Hanan Ashrawi, spokeswoman for the Palestinian team, agreed that the change in status for her and a few others from the territories was "part of an internal reform" rooted in serious discussion and personality conflicts. It was not an attempt to insulate the PLO deeper into the negotiations, Mrs. Ashrawi said.

In that sense, one could argue that there may be less to the recent developments than meets the eye. As Mr. Ben-Aharon acknowledges, Palestinian peace delegates have been belittled from the start to the PLO and Mr. Arafat.

Mr. Shamir's Palestinian counterpart at the Madrid table was Faidir Abdel-Shafi, a physician from Gaza and a founder of the PLO. Shortly before the conference got under way, a Palestinian delegate, Saeb Erekat, said publicly that the team represented the PLO, a declaration that brought protests from the Israelis but no walkout. While Mr. Shamir was in Madrid, leaders of the Palestinian team made overnight flights to Tunis and back to discuss strategy.

"Likud tried to cheat the Israeli public by saying it was not talking with the PLO," a Labor government official said. "The Labor Party is not trying to bluff anyone. We know who the delegates are talking to. But we prefer a framework under which we negotiate only with people from the territories."

Still, there is no question that, bit by bit, Labor has opened the doors to the PLO in a way that would have been inconceivable under Likud.

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## For U.S. Clarity on Bosnia

The Serbs, having broken a cease-fire and driven Muslims off two peaks overlooking Sarajevo, backed off in part under threat of NATO air strikes. The State Department, however, had no choice but to say the strangulation of the Bosnian capital goes on. Only United Nations peacekeepers were allowed back on the peaks. Muslims lost place. Serbs can still threaten the city and supply routes to it — not to speak of other Muslim "safe areas." Water and electricity remain to be restored as a second harsh winter of war nears.

Grossly unsatisfactory as these terms are, Bosnia's desperately pressed Muslims deemed them a sufficient gain to justify returning to stalled talks in Geneva. Previously, Muslims (under duress) and Serbs and Croats (applying the duress) had reached tentative agreement on a constitutional framework for dividing Bosnia into three ethnic republics — to hopeful Muslims "union," to most others partition. Now comes the drawing of a map. The Muslims' territorial demands include some areas they dominated in numbers but lost in war and other areas affording them coastal access. Serbs and Croats wish to keep most of the

territory they have seized, leaving Muslim Bosnia a land-locked entity of isolated pockets and dividing the multiethnic crown jewel, Sarajevo. Accept that, blurs the Serbs' Radovan Karadzic, "or lose everything."

NATO as a coalition has tended to treat strikes as if they were applied only to consumers of the relief of Sarajevo — which, to repeat, is far from being done. The United States now indicates that this threat should be mobilized for the more ambitious task of improving the Muslims' bargaining position, in some unstated measure, in Geneva. In the considerable difference between these approaches lies the next phase of diplomacy — and what hopes remain for a minimal settlement. Sadly, Europeans need to be brought to a broader view of their responsibilities not just for silencing the guns in a war in their house but also for making sure the conflict does not spread and for achieving a peace that points toward regional stability.

To do that requires a new measure of clarity in Washington: to convey to propping Serbs and Croats that there are all limits to American forbearance and to keep international foot-draggers from finding cover in the intricacies of American doubt.

— THE WASHINGTON POST

## The Hard Sell on Trade

Finally, President Bill Clinton has completed the easy job: negotiating supplemental accords to the North American Free Trade Agreement with Mexico and Canada. But that leaves him with the hard job of negotiating with the people down the block — members of Congress intimidated by farm-governing attacks by Ross Perot and the stalwart opposition of some powerful Democrats like the House majority leader, Richard Gephardt of Missouri.

Congressional opposition is unfortunate because NAFTA would have a positive, though small, impact on the U.S. economy even without the supplemental accords. The accords make NAFTA even better by adding a thin layer of protection for companies in the United States facing potentially unfair competition from Mexico.

Mr. Clinton promised during the campaign to improve the trade agreement negotiated by the Bush administration by eliminating the unfair competitive advantage that would be gained by Mexican companies that cut costs by violating their country's environmental and labor laws.

Mr. Clinton suggested at the time that the answer might be to set up international commissions to establish mutually agreed rules and regulations. But none of the countries was comfortable with such extraterritorial rule-making. Besides, Mexican laws were not the problem: they are generally as good as their U.S. counterparts. The problem is the enforcement record of the Mexican government, which is execrable.

The supplemental accords zero in on enforcement. If an international panel of experts finds that a country, say Mexico, persistently fails to enforce its laws, then its government would be fined. If violations persist, trade sanctions could follow. The accord is the first trade agreement to use fines and trade sanctions to back up labor and environmental protections.

Imposing fines on governments, rather than on noncomplying firms, may seem an odd proposal. But it is quite clever.

The fines are designed to compel the government to improve its enforcement record, especially when trade sanctions are lurking close behind. If the trade agreement were instead to impose fines directly on noncomplying firms, it would give firms in the

United States a ferocious incentive to bring frivolous charges against Mexican competitors in the outside chance of driving them from the market.

Mr. Gephardt objects that the proposed fines will not be imposed for an important category of violations: failure to protect labor's right to strike, organize and collectively bargain. But the Mexican government refused to give in on this politically charged issue and it is unclear how much President Clinton wanted to open American companies to such accusations.

Mr. Gephardt also wanted to force Mexico to raise wages along with productivity. But as Mexico's market reforms take hold, wages will rise; if the United States imposed artificially high wages on Mexican employers, the policy would produce the same results in Mexico as it did in Eastern Germany after unification: widespread unemployment.

Careful studies show that NAFTA would have a minor overall impact on jobs and wages in the United States. Some U.S. workers would lose work, but the number would not be large. The Congressional Budget Office estimates that over 10 years NAFTA would add fewer than 500,000 to the 20 million workers who would be displaced for other reasons.

The proper response is not for Congress to reject NAFTA, and thereby deny benefits to hundreds of millions of others. Rather Congress should provide generous retraining and relocation assistance to those who will suffer.

Over the past several years, and under pressure from Washington, Mexico has launched important market reforms. And to overcome congressional resistance to NAFTA, Mexico has spent millions of dollars to monitor and clean up the environment. It started near the bottom and still has a long way to go; but there are at least signs that it is taking America's environmental concerns seriously.

Had President Clinton not overreached and kicked away NAFTA, he would also have kicked away real progress. That would have been bad economics and even worse politics. The supplemental protections that Mr. Clinton negotiated are porous, but the holes in the original agreement were not large and did not need major surgery.

— THE NEW YORK TIMES

## BCCI: Questions Linger

One question, at least, has now been conclusively settled in the murky BCCI case: Robert Altman is not guilty of fraud in BCCI's illegal relationship with First American Bankshares Inc. Prosecutors had charged him with helping the first bank evade the law to gain control of the other. After listening to five months of testimony and argument, the jury unanimously voted for acquittal.

Similar charges have been brought against Mr. Altman's partner, Clark Clifford, whose trial was deferred because of his poor health. Since the evidence against him was much the same, the Altman verdict can be applied by inference to Mr. Clifford.

Because Mr. Altman was tried in a New York State court, there is a theoretical possibility that he could be retried on federal charges. But unless substantial new evidence appears, there is no justification for reviving the federal indictments.

While one question is now settled, many others remain glaringly open regarding BCCI. It flourished worldwide for 19 years, involved in a wide range of crimes including money laundering, terrorism and theft. If circumvented U.S. regulators to gain control of three American banks. When the regulators shut it down two years ago, they found that \$12 billion was missing. A million de-

positors — none in the United States, but many in Britain and Asia — lost money. Most of the people who could answer questions about that \$12 billion are in Abu Dhabi, where BCCI originated, or other Middle Eastern countries. It was the biggest bank fraud in history, and none of its principal figures has gone to jail — or seems likely to go to jail.

In making up its mind about Mr. Altman, the jury paid close attention to the evidence that American regulators had in fact known about BCCI's illegal involvement with First American and inexplicably did nothing about it. Perhaps the regulators stayed away from BCCI because they thought it was serving the U.S. intelligence agencies. A year ago, two senators, John Kerry of Massachusetts and Hank Brown of Colorado, presented an extensive report on BCCI to the Foreign Relations Committee. Even after the CIA knew that BCCI was a criminal enterprise, they wrote, it continued to use both BCCI and First American for its operations.

"Key questions about the relationship between U.S. intelligence agencies and BCCI cannot be answered at this time," the two senators concluded, "and may never be answered." The same may turn out to be true of the other large unanswered questions about the BCCI affair.

— THE WASHINGTON POST

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# Why the Foot-Dragging by Europe's Banks?

By Franco Modigliani and Robert Solow

**C**AMBRIDGE, Massachusetts — The members of the European Monetary System and much of the rest of Europe have been suffering under a staggering amount of unemployment and the associated waste of billions in potential economic output. To attack this problem there is an immediate need to cut interest rates, promptly and sharply. That was impossible because of the high interest rates the Bundesbank felt appropriate for Germany, and the narrow range of exchange-rate fluctuations allowed under the EMS. But now that much wider fluctuations are allowed — the band has been expanded from 2.5 percent to 15 percent — it is puzzling that the EMS does not seem to be taking advantage of its new freedom.

No official interest rates have been reduced, except in Spain; this has helped keep market rates high and the actual devaluation to a minimum. If things continue this way, nothing will have been accom-

plished to put Europe on the way to recovery. What accounts for this puzzling behavior and what does it portend? It is implausible that the central banks actually believe that reducing the current high rates would not contribute to growth; there must be some other explanation.

The most important one is probably their irresistible impulse to punish speculators for having forced them into doing what they had committed themselves not to do. That would mean making the speculators bear losses, or at least denying them appreciable gains, by holding devaluation to a minimum through what Helmut Schlesinger, when he headed the Bundesbank, used to call "great prudential interest policies."

Another explanation is that the banks have become seized by the dogma that abandoning their currency parities betrayed the European cause and demeaned national pride — an absurd view under current circumstances. Certainly there was a time when being part of a system of fixed parities, led by the Bundesbank with its strong bias against inflation, provided an effective way of bringing otherwise unmanageable inflation under control in many countries. At that time, the interest rates that seemed good for Germany seemed good enough for the EMS, and devaluation was seen as demerit.

Today, the circumstances are largely reversed. Inflation is no longer a serious problem for other countries, but it still is for Germany. In terms of interest rates, what is good for Germany's econo-

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This scenario could have two helpful results. First, lower interest rates in Europe — perhaps including Germany — would be followed by a strong recovery. Second, the Bundesbank will have been nudged into a course of policy designed by the others instead of vice versa. This would demonstrate that a countervailing power to Germany and its central bank can be organized by the rest of Europe. When all major countries are finally reelected and the time comes to return to a redesigned EMS, the very fact of such a balance swing will prove a positive force for all of Europe.

The authors are Nobel laureates in economic science and professors at the Massachusetts Institute of Technology. They contributed this comment to the International Herald Tribune.

— which is overheated by the costs of incorporating its eastern territories — is poison for all the other countries. Sticking to a fixed rate against the Deutsche mark is a recipe for stagnation and unemployment in the rest of Europe, and it does not bode well for the idea of European unity. If people start to equate a united Europe with blind adherence to Bundesbank policies, a united Europe may not seem worth the cost.

A third element of the behavior of Europe's central banks can be attributed to psychology. The banks stuck to the mark for so long because they felt constrained to do so and they defended that policy as good for their countries despite its enormous cost. They now want to show that it was a good policy by continuing to pursue it.

Finally, central bankers may on the whole prefer fixed to floating exchange rates, because when currencies float, there is more room for market forces and less room for central bankers to fiddle with intervention and interest rates. That could explain an eagerness to re-establish, de facto, a system of narrow bands.

There may be other reasons we cannot divine; the ones we suggest here are likely to erode over time in any case. How long will it be before common sense wins out and interest rates fall?

The Italian experience is illuminating. Last fall, when speculators forced a 15-percent devaluation, the first reaction

OPINION

In Bosnia, Christopher Learned Bitter Lessons

By Jim Hoagland

WASHINGTON—For a man of Warren Christopher's incoherent temperament and long experience, disillusionment would be too strong a word to describe the experiences of his first seven months as Bill Clinton's secretary of state.



Christopher then did what he had not done in May: He made clear to the European allies that if they failed to see this time, U.S. support for NATO could be seriously affected. They should understand that the United States might act alone if Mr. Clinton's new initiative was rejected.

Freddie the Big-Hearted Spy

By Thomas Goltz

AYVALIK, Turkey — The first time I met Freddie Woodruff was under ice. The occasion was a "polar bear" party on New Year's Day, 1985, at a small lake near Ankara.

Later, inside the restaurant overlooking the lake, the man who had organized the splash came up and plunked a thick hand on my gooseflesh shoulder.

LETTERS TO THE EDITOR

Free Trade or Not?

Regarding "ERM, Trade-Who Treats Real People's Problems?" (Aug. 5) by William Pfaff, and "Liberal Trade or Else" (Aug. 3) by Peter Sutherland:

Serbs' Never Again

Walter C. Clemens ("The World Can't Afford to Allow Genocide to Continue," Opinion, Aug. 6) contends that "Bosnia-Herzegovina stands for cultural and ethnic pluralism."

Reading Into Writing

Regarding "You Are What You Write" (Aug. 3): Graphology has a value of minus zero because it is written and filed in one's personal file.

For the Children's Sake

How many more innocent children like Irma Hadzimuratovic will have to take shrapnel in the spinal column before the United Nations will finally call on NATO to show the Serbs that the civilized world does not accept this type of new world order?

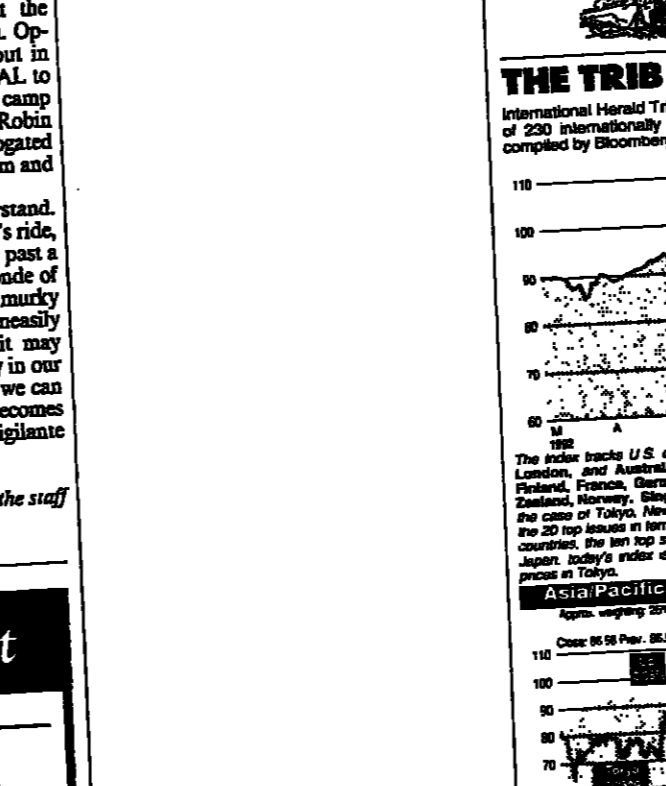
WITHOUT REMORSE

By Tom Clancy, 639 pages, \$24.95, Putnam. Reviewed by Marie Arana-Ward

BOOKS

"The Hunt for Red October," "Red Storm Rising," "The Cardinal of the Kremlin" and "The Sum of All Fears." But it has some unfamiliar, ill-fitting circuitry as well, and that is where "Without Remorse" falls short of Clancy's norm.

THE TRIB INDEX: 94.30



The twenty key world markets reported in a single index - daily in the IHT.

Table with columns for Asia Pacific, Europe, and N. America, listing various markets and their index values.

BEST SELLERS

- List of best-selling books including 'The Bridges of Madison County' by Robert Bly, 'The Way Things Fall Apart' by Chinua Achebe, and 'The Last of the Mohicans' by James Fenimore Cooper.

Advertisement for 'Dining Out' featuring various restaurants like Brasserie de Roodde Lieww, Le Western, Okagawa, and others.

Advertisement for 'The Trib Index' and 'Herald Tribune' featuring a globe and text about the index's exclusivity and daily reporting.

هكذا من الأمل

# Georgians Arrest Suspect in 'Chance' Death of CIA Agent

**By Margaret Shapiro**  
Washington Post Service

MOSCOW — Officials in the former Soviet republic of Georgia said Tuesday that they had arrested a suspect in the murder of a U.S. intelligence official earlier this month and were convinced that the murder had no political overtones.

"This was a chance killing," a senior official of the Georgian Interior Ministry told the Georgian radio. "No one knew whom they were shooting at, how they were shooting. But the fact remains, a crime was committed which had a clear international resonance, and for us, of course, this was most undesirable."

The announcement was unlikely to put to rest suspicions that there was more to the Aug. 8 shooting of Fred Woodruff, 45, than was being reported.

Mr. Woodruff was driving with the chief of security for the Georgian leader, Edward A. Shevardnadze, when a man fired at their car on a stretch of highway about 10 kilometers (6 miles) outside the capital, Tbilisi.

The shot struck Mr. Woodruff in the forehead and killed him. The security chief, Colonel Eldar Gogoladze, and two women passengers were not hurt in the incident. Mr. Gogoladze has been suspended from his job.

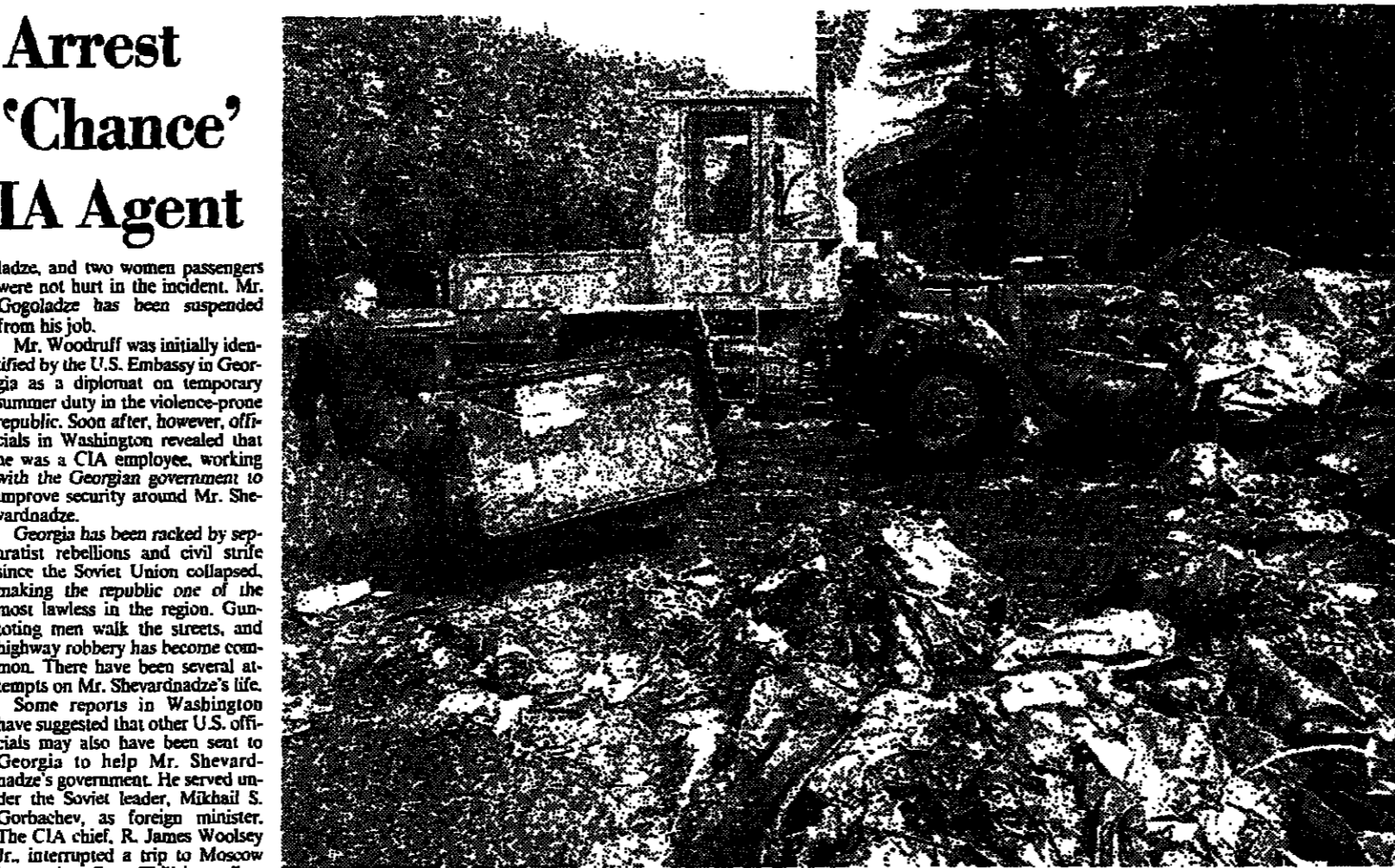
Mr. Woodruff was initially identified by the U.S. Embassy in Georgia as a diplomat on temporary summer duty in the violence-prone republic. Soon after, however, officials in Washington revealed that he was a CIA employee, working with the Georgian government to improve security around Mr. Shevardnadze.

Georgia has been racked by separatist rebellions and civil strife since the Soviet Union collapsed, making the republic one of the most lawless in the region. Gun-toting men walk the streets, and highway robbery has become common. There have been several attempts on Mr. Shevardnadze's life.

Some reports in Washington have suggested that other U.S. officials may also have been sent to Georgia to help Mr. Shevardnadze's government. He served under the Soviet leader, Mikhail S. Gorbachev, as foreign minister. The CIA chief, R. James Woolsey Jr., interrupted a trip to Moscow last week to fly to Tbilisi to collect Mr. Woodruff's body.

The deputy Georgian interior minister, Mikheil Ozidze, declined Tuesday to identify the suspect in Mr. Woodruff's killing, but he said that officials were certain that Mr. Woodruff's CIA assignment had played no role. Instead, he said, the suspect was attempting to rob the car and did not intend to kill anyone.

Officials have described the highway on which Mr. Woodruff was traveling as one prone to bandit attacks.



A crew removing rubbish from a Moscow market site. Poor sanitation has been cited as a factor in the rise of infectious disease rates.

## Gun Alert on 747 Over the Atlantic

LONDON — A British man was arrested Tuesday after a midair gun alert aboard a Continental Airlines Boeing 747 over the North Atlantic, police said.

Passengers on the flight said the man had apparently told a stewardess he had a gun and demanded that she take him to the cockpit of the jumbo jet, flying from Houston to London's Gatwick Airport. The stewardess refused, the passengers said.

But a spokesman for Continental said that there had been a "communications problem" between a crew member and a passenger and that there had been no one on board the flight with a gun.

Mr. Ozidze said the gunman did not know who was in the four-wheel-drive vehicle as it sped by and fired a small-caliber Kalashnikov assault rifle in an attempt to frighten the driver into stopping. Some earlier reports had said the vehicle's license plate identified it as a government vehicle. Mr. Ozidze did not comment on this.

"This was one single shot," he said, in an interview with Reuters in Tbilisi.

## RUSSIA: Diphtheria Hits 50 in Siberia as Infectious-Disease Rates Rise

Continued from Page 1

and shortages of essential supplies." The recent spread of infectious diseases appears to confirm these fears. The rate of diphtheria infection has increased more than 10-fold in the last four years, with more than 100 people dying of the disease this year alone in Russia, officials said.

The State Committee for Emergencies reported Tuesday that 50 soldiers in Abakan, in southern Siberia not too far from Mongolia, were either carrying or suffering from diphtheria. The highly infectious disease, which is preventable with a safe vaccine, usually shows up first in the tonsils or throat but can cause nausea, fever, headache and even heart failure and sudden death.

Officials said the military unit in Abakan has been placed in quarantine.

One British tourist agency has announced that it is suspending trips to Russia because of the diphtheria outbreak.

Similarly, 17 cases of cholera have been reported in July and August alone in Russia, Anatoli Monisov, the nation's deputy chief epidemiologist, said at a news conference last week. In all of 1991, only two were cases reported, and there were five in 1992.

This summer, cholera has been found in Makhachkala in the Caucasus, Nizhny Novgorod on the Volga River, Krasnodar, Naberezhny Chelny and Moscow. Past cases were confined to travelers returning from India and other infected areas, and the growth in cholera in Russia may be partly attributable to increasingly free travel.

But for the first time, at least two of the Russian victims appear to be home-grown. Mr. Monisov said, including a Moscow vagrant and a fisherman who drank unboiled water.

Cholera, against which there is no highly effective vaccine, causes digestive disease and rapid dehydration. Treatment is simple — rehydration — but in the absence of treatment the disease is often fatal, especially in the developing world.

Russian news agencies also reported that 71 people in the southern Altai region had been stricken with anthrax after eating infected meat. Typhoid fever reportedly killed 106 people in Volgogradsk, due to contaminated water supplies. And a woman in Kazakhstan was reported to have been hospitalized with bubonic plague.

An American official of the International Finance Corp., Roberta Feldman, who was assisting the privatization process in Ukraine, also may have contracted the plague. The disease caused enormous numbers of deaths in medieval times but is now treatable with antibiotics. She said that World Bank doctors in Washington believe her illness was the plague but that the diagnosis has not been confirmed.

Other reports from the region include outbreaks of typhoid fever, hepatitis and other infectious diseases. "The situation is very serious," said a World Bank spokesman.

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Other reports from the region include outbreaks of typhoid fever, hepatitis and other infectious diseases.

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## ARMENIA: Cruel Power Choices

Continued from Page 1

not easy being an environmentalist in Armenia at a time like this.

"When you're talking to someone who is freezing and starving, there's not much hope in talking about ecology."

Already much of Lake Sevan's fauna and flora have disappeared, and a speckled trout native to the lake, the ibizan, is on the verge of extinction. Thirty years ago, ibizan accounted for 95 percent of the fish caught there. Now, they make up barely 1 percent, Mr. Sanasarian said.

But this is not another environmental cry to save the habitat of a small animal species.

"If there is no Sevan, there will be no drinking water, no Armenia," said Yuri Abovian, director of the division of strategic use of natural resources in the Ministry of Nature and Environmental Protection.

Water from Lake Sevan seeps into underground streams and these supply the water for the wells from which Armenians draw their drinking water. Water from the lake is also vital for irrigation.

Mr. Abovian, a geophysicist who has worked on environmental issues for 20 years, shares Mr. Sanasarian's alarm about Lake Sevan, which he called one of the most important bodies of water in the Caucasus. So does Mr. Tashjian, who said that the government draws water from the lake for hydroelectric power only in times of "extreme distress," like last winter.

Where they disagree is whether to save the lake by starting the nuclear power plant.

The plant's two units came on line in 1976 and 1980, and they can generate 25 percent of Armenia's electrical needs in normal times, 50 percent in an emergency.

The plant was closed in January 1989 "for security reasons" after a

major earthquake nearby. Two years ago, parliament approved a law requiring a referendum before the plant can be reopened.

In April, that law was repealed by a vote of 136 to 22.

The government is now proceeding with plans to reopen one of the plant's two units next year, Mr. Tashjian said. Washington does not think the nuclear plant should be reopened.

Asked about American objections, Mr. Tashjian, who has a master's degree in nuclear engineering from the University of Southern California and was an executive with Southern California Edison for 21 years, said: "The nuclear power plants in the Soviet system were not built to Western standards."

He added that there were 16 nuclear plants like Armenia's in Eastern Europe and the former Soviet Union and that 10 had operated "without significant incidents." Finally, he said, more work was being done on the plant to make it "more earthquake resistant."

Mr. Sanasarian, who has a doctorate in biochemistry from Moscow University, is leading the opposition to the plant. It is a lonely fight. If there were a referendum, Armenians would probably vote in favor of opening the plant, Mr. Sanasarian said ruefully.

"People vote with their stomachs," he said. "The strongest supporters of ecological issues are those who live in stable societies and have the luxury to think about them."

For Mr. Sanasarian, the choice between the power plant and Lake Sevan is a painful one.

"If I have to choose between the two — the lake and the power plant — I'd have to choose not to open the plant," he said. "Because that's a matter of life and death."

bullets — worth more than \$21 million — earlier this year.

## Plot to Run Guns Foiled by Panama

PANAMA CITY — Panama has confirmed that arms traffickers tried to ship weapons and ammunition from the Czech Republic and Austria to Bosnia-Herzegovina using Panama as a bogus destination.

A government commission called the affair a "disgraceful scandal" and gave details of the attempted purchase of 26,800 machine guns, 128,000 cartridge magazines, 5,000 pistols and 17 million

bullets — worth more than \$21 million — earlier this year.

But the report, which was issued Monday after a two-week investigation in the Czech Republic, Panama and Spain, stopped short of giving names. "It will be up to the relevant Panamanian authorities to decide the level of responsibility of Panamanian citizens involved in this disgraceful scandal," the report said.

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## INTERNATIONAL CLASSIFIED

### TODAY'S BUSINESS MESSAGE CENTER

Appears on Page 4

### PERSONALS

LIAMING PANAGAKOS— Sorry I write you so late. It's lonely & dreary, no friends about to soften the pain. Hope right now, good I hope you love Joe. MAGAL VALARBERGIE, I am home, Toaster.

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PARIS LA DEFENSE 1

## Bosnia Crisis Leaves U.S. Fuzzy on Asia

By Steven A. Holmes  
Washington Times Staff Writer

WASHINGTON — Although the Clinton administration is working to forge security and trade links to Asia, State Department officials and Asian leaders concede that problems in Bosnia and the Middle East are making it difficult for

Washington to keep its gaze focused across the Pacific.

As if to underscore the point, two days after Secretary of State Warren M. Christopher said on a trip to Singapore that Asia had gained "primacy" in U.S. foreign policy, he had to cut short his trip and rush home to deal with

violence in southern Lebanon and the siege of Sarajevo.

"If you're not a crisis area, if you're good guys, then you're put on the back burner in official Washington," said Tommy T.B. Koh, Singapore's ambassador at large, and its former ambassador to

the United States. "It doesn't mean that you're not important."

So far, the arrangements are loose, informal, and in the Asian tradition, evolving slowly. Efforts are being made to build the links through existing, though loosely organized, groups.

The Asian preference, unlike the Western preference, is to take a very nonlegalistic approach to things," said Mr. Koh. "We take actions step by step and allow things to evolve, rather to sit down and say, a priori, we want to create an institution, this is our charter, this is our mission statement."

One of the more solid plans is for the first Pan-Pacific summit meeting, planned for November in Seoul. It would bring together the heads of state of members of Asia Pacific Economic Cooperation, known as APEC.

The organization, established in 1989, includes Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States.

Strengthening this grouping and another, the ASEAN Regional Security Forum, was a major focus of discussions by Mr. Christopher and Pacific Basin leaders in Singapore in conjunction with the annual meeting of the Association of South East Asian Nations, known as ASEAN.

At a news conference last week, a former vice president, Walter F. Mondale, the new ambassador to Japan, said that the administration was also trying to fit U.S.-Japan relations into a regional structure. While calling this relationship "the key, the core," he said "we're trying to broaden the focus to include a more vigorous approach to regional mutual concerns and to concerns that cross the whole Asian Pacific region through APEC."

The idea of regional groups is also being pushed by Asian leaders who fear that the United States will scale back its military presence, leaving a worrisome vacuum.

To increase stability in the region, the leaders are discussing the establishment of a regional security structure, similar to the Conference on Security and Cooperation in Europe.

For the Clinton administration, the focus on Asia goes beyond a normal diplomatic desire to lead off any potential problems in what is now a relatively stable region.

### Herald Tribune CONFERENCES

1993

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OIL & MONEY  
London  
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THE FUTURE OF PRIVATIZATION IN EUROPE  
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MALAYSIA: POWERHOUSE OF THE 90s  
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# NYSE

## Tuesday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Dr Yr PE Div High Low Stock Dr Yr PE Div

12 Month High	Low	Stock	Dr	Yr	PE	Div
100.00	95.00	IBM	+	15	12	4.00
120.00	115.00	Microsoft	+	20	15	2.00
80.00	75.00	Apple	+	18	10	1.50
150.00	145.00	Oracle	+	22	18	3.00
60.00	55.00	Novartis	+	12	8	1.00
40.00	35.00	Merck	+	10	7	0.80
30.00	25.00	Johnson & Johnson	+	8	6	0.60
20.00	15.00	Amgen	+	6	4	0.40
10.00	8.00	Genentech	+	4	3	0.20
5.00	4.00	Amgen	+	3	2	0.10

12 Month High	Low	Stock	Dr	Yr	PE	Div
10.00	8.00	Amgen	+	3	2	0.10
15.00	12.00	Amgen	+	4	3	0.15
20.00	18.00	Amgen	+	5	4	0.20
25.00	22.00	Amgen	+	6	5	0.25
30.00	28.00	Amgen	+	7	6	0.30
35.00	32.00	Amgen	+	8	7	0.35
40.00	38.00	Amgen	+	9	8	0.40
45.00	42.00	Amgen	+	10	9	0.45
50.00	48.00	Amgen	+	11	10	0.50
55.00	52.00	Amgen	+	12	11	0.55

12 Month High	Low	Stock	Dr	Yr	PE	Div
10.00	8.00	Amgen	+	3	2	0.10
15.00	12.00	Amgen	+	4	3	0.15
20.00	18.00	Amgen	+	5	4	0.20
25.00	22.00	Amgen	+	6	5	0.25
30.00	28.00	Amgen	+	7	6	0.30
35.00	32.00	Amgen	+	8	7	0.35
40.00	38.00	Amgen	+	9	8	0.40
45.00	42.00	Amgen	+	10	9	0.45
50.00	48.00	Amgen	+	11	10	0.50
55.00	52.00	Amgen	+	12	11	0.55

12 Month High	Low	Stock	Dr	Yr	PE	Div
10.00	8.00	Amgen	+	3	2	0.10
15.00	12.00	Amgen	+	4	3	0.15
20.00	18.00	Amgen	+	5	4	0.20
25.00	22.00	Amgen	+	6	5	0.25
30.00	28.00	Amgen	+	7	6	0.30
35.00	32.00	Amgen	+	8	7	0.35
40.00	38.00	Amgen	+	9	8	0.40
45.00	42.00	Amgen	+	10	9	0.45
50.00	48.00	Amgen	+	11	10	0.50
55.00	52.00	Amgen	+	12	11	0.55

12 Month High	Low	Stock	Dr	Yr	PE	Div
10.00	8.00	Amgen	+	3	2	0.10
15.00	12.00	Amgen	+	4	3	0.15
20.00	18.00	Amgen	+	5	4	0.20
25.00	22.00	Amgen	+	6	5	0.25
30.00	28.00	Amgen	+	7	6	0.30
35.00	32.00	Amgen	+	8	7	0.35
40.00	38.00	Amgen	+	9	8	0.40
45.00	42.00	Amgen	+	10	9	0.45
50.00	48.00	Amgen	+	11	10	0.50
55.00	52.00	Amgen	+	12	11	0.55

12 Month High	Low	Stock	Dr	Yr	PE	Div
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AMERICAN STOCK MARKET

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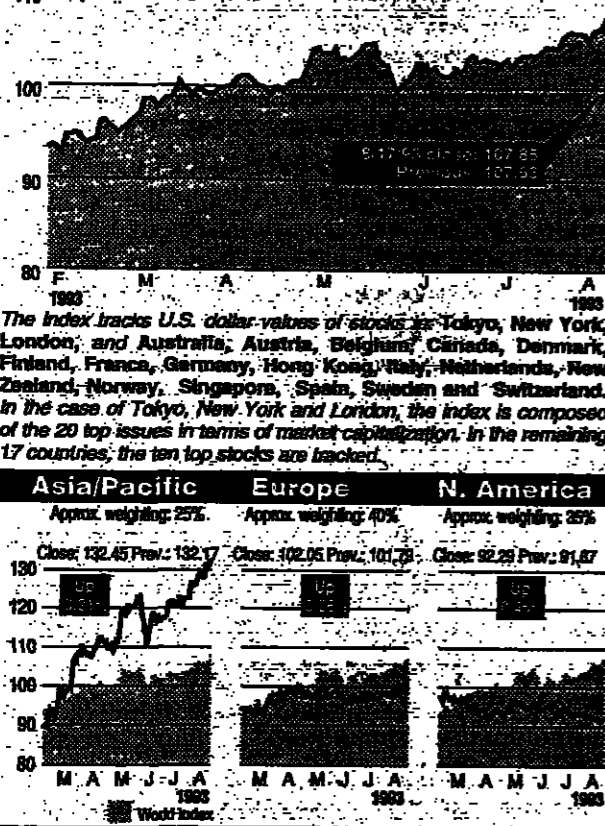
BOND MARKET

INTERNATIONAL

INDEXES

## THE TRIB INDEX 107.85

International Herald Tribune World Stock Index, composed of 250 internationally investable securities from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



## French Banker To Head EBRD

By Richard W. Stevenson  
*New York Times Service*  
**LONDON** — Jacques de Larosière, the governor of the French central bank and a former head of the International Monetary Fund, is expected to be elected this week as the new president of the European Bank for Reconstruction and Development, officials said Tuesday.

Mr. de Larosière has been the leading candidate for the job at the bank, which was set up two years ago to finance private enterprise in the former Soviet bloc. But he had faced opposition from two other candidates, Leszek Balcerowicz, a former Polish finance minister and an architect of his nation's shift to capitalism, and Giuliano Amato, a former prime minister of Italy.

With support having coalesced around Mr. de Larosière, however, Mr. Amato formally withdrew on Monday. Mr. Balcerowicz, whose only realistic hope had been as a compromise candidate if the West European nations split between Mr. de Larosière and Mr. Amato, pulled out of the race Tuesday, leaving Mr. de Larosière as the only candidate.

The directors of the bank must submit their votes no later than Wednesday. Bank officials said they expected an official announcement of the result on Thursday.

If elected, Mr. de Larosière would replace Jacques Attali, the bank's founding president. Mr. Attali, a former top aide to President François Mitterrand of France, resigned last month after news reports and an internal audit questioned the high costs of building the bank's new headquarters in London and Mr. Attali's lavish expenses for travel and entertainment.

Mr. Attali has been accused by Elie Wiesel, the writer, of using passages from interviews between Mr. Wiesel and Mr. Mitterrand without attribution in a new book.

Mr. Attali had also come under increasing criticism for failing to channel much in the way of loans and other financial assistance into the hands of governments and bus-

## Numbers Have Changed AT&T Deal Shifts Industry Outlook

By Kurt Eichenwald  
*New York Times Service*  
**NEW YORK** — The acquisition of McCaw Cellular Corp. announced Monday by American Telephone & Telegraph Co. has knocked over the investment gameboard for telecommunications industry. Now, fleet-footed investors have the chance to find potential winners and losers by quickly picking through the pieces before the stock market fully recognizes their new positions.

The biggest winners, of course, are likely to be stockholders of the two companies. With the acquisition, AT&T jumps to the top of the list of operating companies in cellular.

But other concerns are likely to benefit or be harmed by the combined company as the deal creates shifts in businesses and strategies.

Among the biggest potential losers are the Baby Bells, the regional telephone companies created by the breakup of AT&T in 1984.

One big winner is likely to be Lin Broadcasting Corp., a cellular company that is 52 percent owned by McCaw. McCaw has an option to buy all of Lin, but given McCaw's heavy debt many analysts had questioned whether the purchase would happen.

Now, with McCaw having access to AT&T's deep pockets, analysts say the purchase is almost assured. Lin's stock jumped \$12.75, to \$115, in over-the-counter trading on Monday, and closed at \$121 Tuesday, up \$6.

Another company that will be significantly affected is L.M. Ericsson Telefon AB of Sweden. Ericsson is a big supplier of equipment to McCaw, a business that analysts said could be supplanted by AT&T's own manufacturing division.

But the union of AT&T and McCaw is not necessarily a negative for Ericsson, because the telecommunications investment game is now played on several levels. While Ericsson may lose McCaw's equipment business, other companies in the field may decide to take their equipment purchases away from their big competitor, the AT&T-McCaw combination. Analysts say that business could wind up with Ericsson.

For example, AT&T makes cellular phone switches — computers that keep track of calls. So does Ericsson. But cellular-phone companies will

### Lin Broadcasting becomes a buyout candidate, L.M. Ericsson faces changes in the equipment-manufacturing market and the Baby Bells are complaining of unfair competition.

probably not want to keep buying their switches from AT&T, McCaw's new parent. "Ericsson would probably get business from the customers who don't want to be doing business with a competitor," said John E. Money, an analyst with Argus Research Corp.

Among the potential losers is Southwestern Bell Corp., which has invested heavily in its Cellular

See PHONES, Page 13

## Franc Rebounds As Paris Trims An Interest Rate

Compiled by Our Staff From Dispatches  
**PARIS** — France shaved another half-point off its overnight interest rate on Tuesday, arresting the franc's latest slide against the Deutsche mark.

The Bank of France cut its overnight bank rate to 8.75 percent from 9.25 percent. It was the rate's third cut in one week, down from 10 percent.

The central bank, seeking only gradual cuts to prevent a new assault on the franc, has kept its benchmark rate at 10 percent. Later, however, currency traders taking a longer-term view see the franc as more attractive if France cuts interest rates to boost the flagging economy.

Minutes after the new rate cut, the franc rebounded against the mark to 3.5390 francs from 3.5450 francs on Monday.

Despite the closure of French markets on Monday for the Assumption Day holiday, the franc came under attack in other markets. In London it sank to 3.5490 DM, a new low, before recovering to 3.5385.

Finance Minister Edmond Alphandery on Monday denied rumors circulating in the London market that France would reinstitute currency controls, calling such reports "totally absurd."

The rumor followed comments by Prime Minister Edouard Balladur and President François Mitterrand against speculation. Mr. Balladur, in a television interview over the weekend, had called for an overhaul of the world currency system.

Mr. Alphandery said he "considers as completely absurd the idea in which French authorities would envision a reestablishment of any kind of exchange controls," he said in a communiqué. He noted that France had completely dismantled currency controls in line with the free movement of capital required within the European Community.

Malcolm Barr, an analyst at Chemical Bank, linked the franc's rally Tuesday to a published report that Hans Tietmeyer, a Bundesbank vice president, had asked other EC finance ministers and central bankers not to cut interest rates precipitously following the Aug. 1 emergency meeting that scrapped the system of closely linked exchange rates for key EC currencies.

This would imply that interest rates in France, as in other EC countries, were unlikely to fall as rapidly as the market had come to expect after the loosening-up of the ERM.

A storm of currency speculation in recent weeks, fueled by lofty German interest rates and neighbors trying to cut their rates to stimulate their sinking economies, came close to sinking the exchange rate mechanism of the European Monetary System. EC officials on Aug. 2 allowed wider fluctuations within the system's rate mechanism, calming the run on weaker currencies.

But that struck a blow to plans for a unified currency and central bank by the end of the century that could boost Europe's competitiveness with the United States and Japan.

■ **Trying to Create Jobs**

The French government agreed Tuesday on a five-year plan to fight unemployment that Labor Minister Michel Giraud said would cut red tape but keep social benefits intact, Reuters reported.

The main lines of the five-year plan, he said, would be "respect for social benefits, simplification, decentralization and making people responsible for their own futures." Simplifying procedures would benefit companies, employees and job seekers, Mr. Giraud said.

He declined to give more details but said a draft text of the plan, containing more than 50 measures, would be released on Thursday. It would cover access to the labor market, labor law, training and the state administration. French unemployment is running at a record 11.6 percent.

An official in Prime Minister Edouard Balladur's office said the five-year plan would lay down a fixed timetable for the government's commitment to gradually take over from employers the burden of social-security charges for employees' families.

## Dell Computer Has First Loss

Compiled by Our Staff From Dispatches  
**AUSTIN, Texas** — Dell Computer Corp. said Tuesday it had a loss of \$75.7 million in its second quarter, including a \$71 million restructuring charge.

It was the personal-computer maker's first loss since it became a public company in 1988. The company forecast the loss last month, but it was unclear then whether it expected the result to be due only to the special charge.

The loss amounted to \$2.03 a share for the quarter that ended Aug. 1, wider than analysts' forecasts of around \$1.75 a share. Without the charge, Dell would have had a loss of 61 cents a share. The company earned \$21.9 million, or 57 cents a share, a year earlier.

The company said three months ago it was canceling plans for some notebook computers that it had decided would be less powerful than its customers wanted.

Chairman S. Michael Dell said the company expected to return to profitability in its third quarter.

Dell said sales in the United States rose 49 percent from a year earlier, while international sales were up 60 percent. But compared with first-quarter 1993 levels, they were up 9 percent and down 3 percent, respectively.

For its first half, Dell posted a loss of \$65.5 million, or \$1.76 a share, on sales of \$1.37 billion. The company earned \$41.7 million, or \$1.09 a share, on sales of \$823.6 million a year earlier.

(AP, UPI, Knight-Ridder)

Revenue rose 53 percent to a record \$700.6 million, from \$457.5 million.

In its July forecast, Dell said a loss could cause the company to default on some of its loan agreements. But Tuesday, the company said those financial covenants had been restructured and that no default would occur.

The charge was related to restructuring provisions, write-downs of the value of inventory, rapidly rising expenses and costs associated with delayed and canceled notebook-computer projects.

Dell said operating expenses rose to about 21 percent of sales in the second quarter, from 16 percent a year earlier.

The company said three months

## U.S. Newspapers Moving Into Electronic Editions

By William Greenhouse  
*New York Times Service*  
**NEW YORK** — After decades of predictions by publishing executives and futurists, electronic newspapers are finally arriving on personal computer screens across the United States. On-line editions of major papers recently blinked into existence in St. Louis, Chicago, San Jose, California, and elsewhere, and they are expected within months in New York, Atlanta, Los Angeles, Austin, Texas and many other cities.

But most of these ventures are not merely electronic versions of the printed page. Rather, the new editions are considered supplements to the newspaper. They offer a "read more about it" assortment of background and past articles of the reader's choice, as well as chances to communicate via computer with reporters, editors and some of the people they write about.

And, illustrating that everything old is new again, many electronic editions will focus on the smallest of small-town news: school lunch menus, social notes, board meeting minutes.

As business ventures, the new services remain experiments. Whether they will someday cannibalize their newspaper parents, or simply become more of a niche market, is unknown. The fundamental questions include whether they will be advertiser- or subscriber-supported, or whether they will be viable at all.

A growing number of newspapers are already supplying paperless newspapers to their readers, or users, or whatever the term for newspaper consumers will be as the media world changes.

For many papers, the level of investment seems reasonable. Because they can now hitch a ride on existing on-line services instead of having to create their own, newspapers are finding that the chief additional cost is for a few employees, not for expensive hardware. The entire current staff of The Chicago Tribune's electronic service, for example, is four people.

The move toward home-computer newspaper services accelerated this summer as two of the biggest U.S. newspaper chains, Times Mirror Co. and Cox Enterprises, announced plans for electronic services at their newspapers. Those announcements followed decisions by three other major chains, Tribune Co., Knight-Ridder Inc. and Gannett Co.

"It is the beginning of an electronic news and information service" at the local level, said Gary H. Arlen, a Bethesda, Maryland, media analyst who studies interactive-electronic services. "The printed newspaper won't go away, but the electronic service will change the printed newspaper."

## Continental Plans Mileage Transfer

Agency France-Press  
**SYDNEY** — About 50,000 travelers will have to wait another day to discover whether they will lose their frequent-flyer miles after Continental Airlines' decision Tuesday to end its Australian operations.

The frequent flyers stand to lose millions of dollars worth of airline travel unless Continental negotiates a transfer of accumulated mileage to another airline.

A spokesman for Continental in Sydney said talks were under way with a number of airlines to try to accommodate the frequent flyers and the customers booked on flights after Oct. 30, when the airline stops flying to Australia and New Zealand.

"We expect to have a clearer picture by tomorrow," the spokesman said Tuesday.

One of the other airlines is the Australian carrier Qantas, which industry analysts believe stands to gain most from the collapse of a large segment of the Continental operations.

The carrier announced global cutbacks on Monday, including the cancellation of all flights from the United States to Australia and New Zealand.

Continental will end service to Brisbane and Mount North Downs, and Spokane, Washington, on Sept. 30; to Vancouver, British Columbia, on Oct. 1, and to Puerto Plata in the Dominican Republic on Sept. 7.

About 2,500 workers are facing layoffs.

The airline, which emerged from bankruptcy proceedings in April, said it would honor all obligations to passengers on flights up to Oct. 31 and was trying to make arrangements for those with later bookings.

Continental's cuts coincide with attempts by two other U.S. airlines, Northwest and United, to increase services to Australia via the lucrative Japan routes.

Perry Flint, the editor of the U.S.-based Air Transport World magazine, said that Continental's decision could result in further losses because the Asia-Pacific is the world's fastest growing economic region.

He said it presented Qantas a golden opportunity to expand operations in U.S. routes.

The cutbacks were announced just a week after Continental and Northwest lost a \$3 billion predatory-pricing suit against American Airlines.

Continental's general manager for Australia, Brian Wild, said the airline "regrets the inconvenience this action will cause to our loyal customers and travel- and freight-industry partners."

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### CURRENCY & INTEREST RATES

Cross Rates	Aug. 17
American \$	107.85
British £	166.25
French F	166.25
German M	166.25
Japanese Y	166.25
Swiss S	166.25
Italian L	166.25
Spanish P	166.25
Portuguese Esc	166.25
Belgian B	166.25
Dutch G	166.25
Australian A	166.25
Canadian C	166.25
South African R	166.25
Israeli S	166.25
Indian Rupee	166.25
Thai Baht	166.25
Philippine P	166.25
Singapore D	166.25
Malaysian M	166.25
Indonesian Rp	166.25
South Korean W	166.25
Chinese Yuan	166.25
Yen	166.25

Eurocurrency Deposits	Aug. 17
1 month	4.75%
3 months	4.75%
6 months	4.75%
1 year	4.75%

Key Money Rates	Aug. 17
Discount rate	5.25%
Federal funds	5.25%
Prime rate	5.25%
3-month CD	5.25%
6-month CD	5.25%
1-year CD	5.25%
3-year Treasury note	5.25%
5-year Treasury note	5.25%
10-year Treasury note	5.25%
30-year Treasury bond	5.25%
1-year Treasury bill	5.25%
3-month Treasury bill	5.25%
6-month Treasury bill	5.25%
1-year Treasury bill	5.25%

MARKET DIARY

Indexes Hit Highs But Banks Falter

NEW YORK — U.S. stocks rose for a third straight session on Tuesday, with record closes in several indexes fueled by gains in the drug industry. Bank stocks, however, were sharply lower.

The Dow Jones industrial average rose 7.83 points, to a record 3,586.98, besting the previous high of 3,583.35 set Wednesday. Advancing issues on the New York Stock Exchange outnumbered declines by an 8-to-7 ratio.

The American Stock Exchange index ended at a record 442.66 after rising 1.33 points, while the Nasdaq composite over-the-counter index rose 4.13 points, to a record 2,319.91. Drug stocks led the market's advance. "These stocks have been in the doldrums for so long and they're finally starting to show signs of life," said Ronald Nordmark, an analyst at PeacockWebber Inc.

JAPAN: Sharing the Strong Yen

Continued from Page 1 coming not from consumers, whose wages have long been muted, but from business. At the yen's current level, almost no Japanese exporters — which comprise the most efficient sector of the economy — are profitable. (Page 15)

Thus, the urgent need is to lower the level of the yen. The quickest way is to reduce the trade surplus that is the chief cause of the currency's rise; analysts say the surplus could top a record \$150 billion this year, largely because Japan's stock economy is pulling in fewer goods, while exports remain firm.

A growing chorus of economists and business leaders are urging the government to follow through on its pledge to remove restrictions that block consumers from harnessing the strength of the yen. Imports would then become cheaper and, presumably, more would be bought, reducing the trade imbalance.

"Prime Minister Morihiro Hosokawa will have to adopt deregulation aggressively to cut prices," said Masaru Takagi, chief economist at Fuji Research Institute. "But it will take a long time to have an impact on the trade imbalance."

World Stock Markets

Table listing stock market performance for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, and Zurich.

Dollar Closes Mixed

The dollar was mixed against European currencies in New York, Knight-Ridder reported. Largely because of cross-trading against the yen, the dollar rose to 1.6928 Deutsche marks from 1.6869, and it gained to 1.5024 Swiss francs from 1.4960. But the dollar fell to 5.9475 French francs from 5.9805. The pound fell to \$1.4880 from \$1.4895.

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Expectations that Thursday's meeting will yield major market openings and price reductions are low. "We can expect them to do something within the existing regulatory framework," said Geoffrey Barker, economist at Baring Securities, adding that utility rates were likely to fall. "But a dismantling of the regulatory framework itself would mean privatization and competition that would devastate large areas of Japanese business."

Coffee Exporters Form Cartel

KAMPALA, Uganda — The world's major coffee-producing nations agreed Tuesday to form a cartel to shore up prices and said they would cut supplies 20 percent when the new season starts Oct. 1.

In a communiqué called the Kampala Coffee Declaration, ministers from about two dozen African and Latin American countries said they would establish an Association of Coffee Producing Countries. Coffee-producing countries' economies have been hit by the sharp decline in prices that followed the demise in 1989 of the International Coffee Agreement and its system of export quotas.

Uganda President Yoweri Museveni said producing nations earned \$5.6 billion from coffee last year, down from \$11 billion in 1987. (AP, Reuters)

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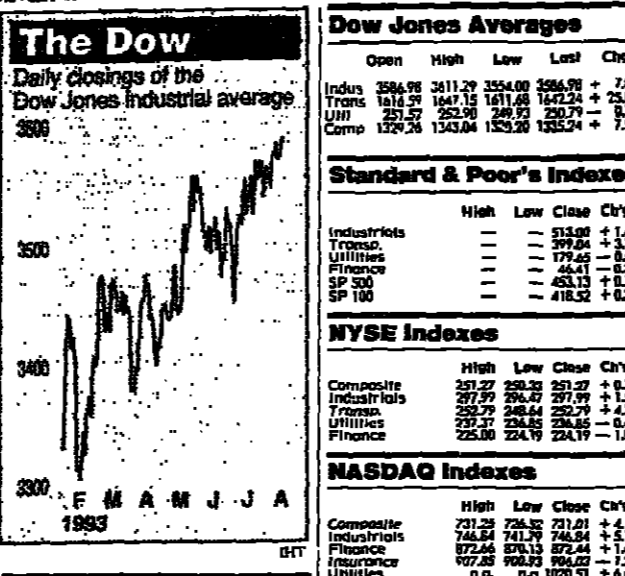


Table of market averages including Dow Jones, Standard & Poor's, NYSE, and NASDAQ.

Table of NYSE Most Active stocks.

Table of NYSE Diary with columns for Advancing, Declining, and Total Issues.

Table of NASDAQ Diary with columns for Advancing, Declining, and Total Issues.

Table of S&P 100 Index Options.

U.S. Futures

Table of U.S. Futures markets including Grains, Metals, Livestock, and Financial.

European Futures

Table of European Futures markets including Food, Metals, and Financial.

U.S. / AT THE CLOSE

Housing Starts Down 2.7% in July

WASHINGTON (AP) — U.S. housing starts fell 2.7 percent in July, the fourth decline in the first seven months of 1993, despite the lowest mortgage rates in 20 years, the government said Tuesday.

The Commerce Department said construction of new homes and apartments totaled a seasonally adjusted annual rate of 1.21 million, down from 1.25 million in June. It was the biggest drop since a 4.7 percent decline in March. New construction was down in the Northeast and South. Starts for the first seven months of 1993 were up 2 percent from those of the same period a year earlier.

Analysts said many prospective home buyers were cautious because of weak job and income growth and uncertainties over federal tax and spending policies, because of the Clinton administration's health-care proposals. And, they added, expectations of continued low rates and stable prices have curbed any sense of urgency.

Pennney's Quarterly Profit Rose 40%

PLANO, Texas (Bloomberg) — J.C. Penney Co., the fourth-largest U.S. retailer, said Tuesday that second-quarter earnings had surged 40 percent because of lower costs, strong gains in catalogue sales and better results at its insurance unit.

For the quarter ended July 31, Penney's net grew to \$112 million, or 42 cents a share, from \$80 million, or 31 cents a share, a year earlier. Sales increased 4.6 percent, to \$3.9 billion from \$3.79 billion.

Hewlett-Packard Takes a Pounding

SAN FRANCISCO (Reuters) — Hewlett-Packard Co. was drubbed on the stock market Tuesday on its disappointing third-quarter results, but its stock recovered somewhat late in the day, and analysts said the company should regain its earnings momentum in the coming months.

Hewlett-Packard was down to \$68.50 in trading on the New York Stock Exchange after the company reported third-quarter earnings of \$1.06 per share, or about 15 cents per share short of analysts' expectations. It rebounded to end the day off \$1.50 at \$73.24.

The company reported that net income had risen 44 percent, to \$271.0 million, or \$1.06 a share, in the quarter that ended July 31, compared with \$188.0 million, or 75 cents a share, a year earlier.

Warner-Lambert Halts Most Output

WASHINGTON (APF) — Warner-Lambert Co. has agreed to halt production of a wide range of drug products until its plants meet government standards, the Food and Drug Administration announced Tuesday. The company said the action would cost \$150 million, lowering 1993 revenue to \$3.9 billion. FDA inspectors determined that the company had withheld testing data and failed to ensure the quality of its products.

Bass-Led Group Buys 8 Food Firms

DALLAS (Combined Dispatches) — An international group led by the investor Robert M. Bass said Tuesday that it had acquired eight U.S. food companies for \$1.1 billion. Since plans for the buyout were confirmed last month, the transaction has received attention for its size and the fact that a large leveraged buyout, common in the 1980s, can still attract financing. (AP, NYT)

For the Record

Boeing Corp. will be the main contractor for a revamped \$22 billion space-station program, the National Aeronautics and Space Administration announced Tuesday. Reliant Farms Co. stock jumped \$2.75 to \$37.125 on Tuesday after the company announced that it was considering shedding its cereal and baby-food units less than three weeks after spinning off most of its vast bakery division. (AP)

American Express Bank Ltd said any violations of laws that prohibit U.S. companies from cooperating with the Arab boycott of Israel were unintentional. It was fined \$103,000 for 39 alleged boycotts. (Bloomberg)

World Stock Markets

Table of World Stock Markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, and Zurich.

EUROPE

Lackluster Earnings At Hanson

Compiled by Our Staff From Dispatches LONDON — Hanson PLC reported Tuesday weak earnings for its third quarter, depressed by a strike at its Peabody Holding Co. in the United States.

Hanson said its profit fell 47.6 percent, to £187 million in the three months through June 30, from £357 million a year earlier. The British-American industrial conglomerate also reported its figures in dollars, calculating net income down 43.9 percent, to \$279 million.

Sales in the latest quarter rose 22.2 percent, to £2.31 billion. For the first nine months of its year, Hanson said net income fell 27.3 percent, to £560 million, while revenue was up 16.2 percent, to £7.10 billion.

Lord White, chairman of the U.S. arm, Hanson Industries, said the miners strike, affecting about half of the company's coal capacity, had cut Peabody's profit for the nine-month period to £73 million from £107 million, including a first contribution from activities in Australia.

Split of British Gas Asked U.K. Panel Seeks Sale of Trading Unit

Compiled by Our Staff From Dispatches LONDON — British Gas PLC, the world's biggest gas company, should be split up and asked to divest itself of its gas-trading activities, Britain's Monopoly and Mergers Commission said Tuesday.

British Gas said that if the recommendations were accepted in full, it might have to lay off as many as 20,000 people, about one-third of its work force. But it welcomed the divestment proposal as good for shareholders.

The commission said it wanted the company's monopoly threshold — or the level of usage below which it would be a monopoly supplier — lowered to 1,500 therms a year from 2,500 therms; one therm is 100,000 British thermal units.

"This was a jump for joy, and a relief that it wasn't worse," said Philip Morgan, an analyst at Paribas Capital Markets.

The British government had no comment on the report, which it said it was still considering.

But one of British Gas's competitors, UtiliCorp U.K., objected to a proposal that would leave British Gas's monopoly on supplying gas to households largely untouched.

The commission said it wanted the company's monopoly threshold — or the level of usage below which it would be a monopoly supplier — lowered to 1,500 therms a year from 2,500 therms; one therm is 100,000 British thermal units.

According to British Gas's own figures, about 17.5 million of the current 18 million households would remain within its monopoly at that level. UtiliCorp said this made the proposals "a token gesture as far as the consumer is concerned."

The commission recommended that British Gas be allowed to set prices on competitors' use of its pipeline system at a level that would bring it a return of between 6.5 percent and 7.5 percent on new investments. The company said this was a smaller return than it has been getting since its privatization.

Prime Minister Carl Bildt said SE Banken's decision to withdraw a bid for help from the state bank support authority was "good for taxpayers, good for SE Banken and good for confidence in the Swedish economy."

Instead of seeking a bailout, the bank will make its repairs issue next month aimed at raising 5.3 billion kronor. It will offer stockholders a chance to buy one new share at a price of 20 kronor, for each one they already own.

State-owned Nordbanken later reinforced hopes of a recovery by Sweden's ailing banking sector, announcing it had transformed a 5.22 billion kronor loss at the halfway

SE Banken Slashes Its Loss, Says Aid No Longer Needed

Compiled by Our Staff From Dispatches STOCKHOLM — Sweden's largest commercial bank, Skandinaviska Enskilda Banken, announced Tuesday a dramatic turnaround in six-month results and said it no longer needed to seek support from the state.

SE Banken said its operating loss in the first half of the year shrank to 298 million kronor (\$37.3 million), from 2.498 billion kronor in the year-earlier period.

The stock market greeted the surprise result with a strong rally in the bank's shares, which soared nearly 14 percent to 78.50 kronor. The news contributed to a 6.1 percent gain for banking stocks and helped lift the market's general index more than 16 points to a record high of 1,301.90.

"The crisis is over," said the chief executive, Bjorn Svedberg. "The external conditions changed much quicker than we had expected."

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stage last year into a 1.74 billion kronor operating profit in the latest six months.

SE Banken said it expected loan-loss provisions to total between 9.5 billion kronor and 11 billion in 1992, compared with 11.2 billion in 1991. The bank said bad and doubtful debts at the end of June amounted to 22.5 billion kronor, down from 24.6 billion at the end of March.

Revenue rose to 8.6 billion kronor from 6.9 billion in the first half last year. First-half net interest income rose to 4.6 billion kronor from 3.9 billion.

Den norske Bank, Norway's biggest commercial bank, said on Tuesday that it had returned to profitability at mid-year, with a net profit of 204 million kroner (\$27.6 million), against a loss of 1.2 billion kroner in the first half of 1992, news agencies reported from Oslo.

But the bank said it had increased loan-loss provisions to 1.993 billion kroner from 1.978 billion a year earlier.

The positive result was mainly attributable to a sharp rise in net interest income and gains on bonds and securities. This was due to lower interest rates and better banking, the bank said.

The result was somewhat higher than analysts had expected.

Den norske Bank is 55.6 percent owned by the Norwegian state after huge capital transfers were made last year to avoid bankruptcy.

Investor's Europe

Table with columns for Exchange, Index, Tuesday Close, Prev. Close, % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trade, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvekselboden, Vienna Stock Index, Zurich SBS.

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- De Beers said its first-half profit rose 8.6 percent to \$353 million. The figure reflects combined results of the company's two parts, De Beers Consolidated Mines Ltd. and De Beers Centenary AG.
Adam Opel AG will invest 500 million Deutsche marks (\$293.5 million) to build a diesel-engine plant at its works in Kaiserslautern, Germany.
Glaxo Holdings PLC said its American unit, Glaxo Inc., won U.S. Food and Drug Administration clearance to market its Zofran injection for the prevention of post-operative nausea and vomiting.
Britain's public-sector budget deficit narrowed to £1.54 billion (\$2.28 billion) in July from £2.97 billion in June, the Treasury said. Analysts had predicted a figure of £1.9 billion.
Deutsche Bundesbahn and Deutsche Reichsbahn, the railway companies of the former West and East Germany, said they had ordered 60 high-speed InterCity Express trains valued at 2.2 billion DM from a consortium of Siemens AG and the AEG AG unit of Daimler-Benz AG.

U.S. Report Calls Airbus a Threat

WASHINGTON — The U.S. International Trade Commission said Tuesday that Airbus Industries, the European aircraft consortium, is a growing threat to U.S. makers of large civilian aircraft.

The ITC, while praising U.S. research skills in the field, said "U.S. expertise will be challenged increasingly by Airbus and Western Europe's aeronautical research institutions."

"The U.S. large civil-aircraft industry remains dominant in the global market but it faces increased competition from Airbus Industries," the ITC said.

U.S. producers of large civil aircraft account for 64 percent of worldwide unit orders and 73 percent of worldwide unit deliveries, the ITC said. These shares equal more than a 20 percent decline from the levels logged in 1970, but the volume of U.S. deliveries has risen by 160 percent as global demand has increased.

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State-owned Nordbanken later reinforced hopes of a recovery by Sweden's ailing banking sector, announcing it had transformed a 5.22 billion kronor loss at the halfway

PHONES: AT&T-McCaw Deal Alters the Landscape

Continued from Page 11

One business as a joint venture with McCaw. Once the AT&T-McCaw deal is done, Southwestern will no longer be doing business with an independent McCaw; rather, its partner will become AT&T, an arrangement that could violate the terms of the court-ordered breakup of the Bell system.

"Clearly, this will hurt Southwestern Bell," said Philip A. Mangieri, a telecommunications analyst with Cowen & Co.

BANK: De Larosiere Assured of Presidency of EBRD

Continued from Page 11

cellular communications businesses, and the deal would create a much more formidable, financially strong competitor.

Mr. de Larosiere, 63, is highly respected in international financial circles. At the IMF, where he was chairman from 1980 to 1986, he oversaw the development of plans to clear the debt crises in Mexico and other Latin American nations. As

Bonn Enters VW-GM Fray

Continued from Page 11

chief of the French central bank since 1987, he has played a key role in bringing inflation under control and in dealing with the fallout from the currency crisis that has rocked financial markets and set back hopes for monetary union.

Mr. de Larosiere's supporters said he would bring to the job a far greater depth of knowledge in development banking than Mr. Attali, who viewed himself as a politician and an intellectual, as well as experience in running large organi-

Very briefly:

- Mr. Rexrodt would meet with Volkswagen representatives this week. The minister was scheduled to meet representatives of Adam Opel AG, the German unit of General Motors Corp., on Tuesday, the spokeswoman said.
Mr. Blechinger said VW was "ready to talk" with Opel but added that Opel had "set up hurdles" to a meeting by attaching preconditions.
David J. Herman, chief executive of Opel, said two weeks ago that he was ready to exchange letters with Volkswagen managers.

NASDAQ

Tuesday's Prices NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities of the day. It is updated twice a year.

NASDAQ stock market data table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg.

NASDAQ stock market data table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg.

NASDAQ stock market data table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg.

NASDAQ stock market data table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg.

NASDAQ stock market data table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg.

TOP FUNDS North Star Group of Companies operates 33 investment funds which have been awarded No. 1 by Lipper of the US in 1985, 1987, 1988, 1989, 1991 and 1992. 17% p.a. in DKK on average since 1984. 16% p.a. in DEM 17% p.a. in CHF 17% p.a. in FRF 21% p.a. in GBP 24% p.a. in USD. Please send me information on North Star. Name: Address: Tel no: Post to: MNP Consultants, 39 Tolbodgade, DK-1253 Copenhagen, Tel: 45-33 32 11 22, Fax: 45-33 32 67 17. Custodian Banks: ABN/AMRO Bank, Den Danske Bank International S.A.

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NYSE Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like ABC INVESTMENT & SERVICES CO, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like AIG, American International Group, etc.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like American International Group, American International Group, etc.

Unification Bites Into Germany's Budget

BOONN — The German government, which borrowing interest payments and will devote nearly 14 percent of total spending to servicing its debts by 1997, official figures showed Tuesday. A financial plan submitted by the government to the legislature also showed substantial cuts were planned in spending on social security, defense and housing in the next few years.

over 69 billion marks in the financial planning period," the document said.

This would represent 13.8 percent of total spending in 1997, up from 10 percent this year. Interest payments in 1997 will be equal to nearly half of total security spending. Chancellor Helmut Kohl's government has been criticized for borrowing money to rebuild the economy of former East Germany instead of cutting spending.

fronts to stop the federal budget deficit, projected at a record 67.5 billion DM in both 1993 and 1994, from getting out of control.

The government acknowledged it was in danger in 1994 of violating a clause in the constitution that says its new net borrowing in any year must not exceed capital investment.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like ABC INVESTMENT & SERVICES CO, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like AIG, American International Group, etc.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like American International Group, American International Group, etc.

INTERNATIONAL FUNDS

Conditions apply to funds listed. Not asset values. Conditions are applied by the Funds listed with the exception of some open ended funds. (A) - monthly; (B) - quarterly; (C) - semi-annually; (D) - annually; (E) - monthly; (F) - quarterly; (G) - semi-annually; (H) - annually; (I) - monthly; (J) - quarterly; (K) - semi-annually; (L) - annually; (M) - monthly; (N) - quarterly; (O) - semi-annually; (P) - annually; (Q) - monthly; (R) - quarterly; (S) - semi-annually; (T) - annually; (U) - monthly; (V) - quarterly; (W) - semi-annually; (X) - annually; (Y) - monthly; (Z) - quarterly; (AA) - semi-annually; (AB) - annually; (AC) - monthly; (AD) - quarterly; (AE) - semi-annually; (AF) - annually; (AG) - monthly; (AH) - quarterly; (AI) - semi-annually; (AJ) - annually; (AK) - monthly; (AL) - quarterly; (AM) - semi-annually; (AN) - annually; (AO) - monthly; (AP) - quarterly; (AQ) - semi-annually; (AR) - annually; (AS) - monthly; (AT) - quarterly; (AU) - semi-annually; (AV) - annually; (AW) - monthly; (AX) - quarterly; (AY) - semi-annually; (AZ) - annually; (BA) - monthly; (BB) - quarterly; (BC) - semi-annually; (BD) - annually; (BE) - monthly; (BF) - quarterly; (BG) - semi-annually; (BH) - annually; (BI) - monthly; (BJ) - quarterly; (BK) - semi-annually; (BL) - annually; (BM) - monthly; (BN) - quarterly; (BO) - semi-annually; (BP) - annually; (BQ) - monthly; (BR) - quarterly; (BS) - semi-annually; (BT) - annually; (BU) - monthly; (BV) - quarterly; (BW) - semi-annually; (BX) - annually; (BY) - monthly; (BZ) - quarterly; (CA) - semi-annually; (CB) - annually; (CC) - monthly; (CD) - quarterly; (CE) - semi-annually; (CF) - annually; (CG) - monthly; (CH) - quarterly; (CI) - semi-annually; (CJ) - annually; (CK) - monthly; (CL) - quarterly; (CM) - semi-annually; (CN) - annually; (CO) - monthly; (CP) - quarterly; (CQ) - semi-annually; (CR) - annually; (CS) - monthly; (CT) - quarterly; (CU) - semi-annually; (CV) - annually; (CW) - monthly; (CX) - quarterly; (CY) - semi-annually; (CZ) - annually; (DA) - monthly; (DB) - quarterly; (DC) - semi-annually; (DD) - annually; (DE) - monthly; (DF) - quarterly; (DG) - semi-annually; (DH) - annually; (DI) - monthly; (DJ) - quarterly; (DK) - semi-annually; (DL) - annually; (DM) - monthly; (DN) - quarterly; (DO) - semi-annually; (DP) - annually; (DQ) - monthly; (DR) - quarterly; (DS) - semi-annually; (DT) - annually; (DU) - monthly; (DV) - quarterly; (DW) - semi-annually; (DX) - annually; (DY) - monthly; (DZ) - quarterly; (EA) - semi-annually; (EB) - annually; (EC) - monthly; (ED) - quarterly; (EE) - semi-annually; (EF) - annually; (EG) - monthly; (EH) - quarterly; (EI) - semi-annually; (EJ) - annually; (EK) - monthly; (EL) - quarterly; (EM) - semi-annually; (EN) - annually; (EO) - monthly; (EP) - quarterly; (EQ) - semi-annually; (ER) - annually; (ES) - monthly; (ET) - quarterly; (EU) - semi-annually; (EV) - annually; (EW) - monthly; (EX) - quarterly; (EY) - semi-annually; (EZ) - annually; (FA) - monthly; (FB) - quarterly; (FC) - semi-annually; (FD) - annually; (FE) - monthly; (FF) - quarterly; (FG) - semi-annually; (FH) - annually; (FI) - monthly; (FJ) - quarterly; (FK) - semi-annually; (FL) - annually; (FM) - monthly; (FN) - quarterly; (FO) - semi-annually; (FP) - annually; (FQ) - monthly; (FR) - quarterly; (FS) - semi-annually; (FT) - annually; (FU) - monthly; (FV) - quarterly; (FW) - semi-annually; (FX) - annually; (FY) - monthly; (FZ) - quarterly; (GA) - semi-annually; (GB) - annually; (GC) - monthly; (GD) - quarterly; (GE) - semi-annually; (GF) - annually; (GG) - monthly; (GH) - quarterly; (GI) - semi-annually; (GJ) - annually; (GK) - monthly; (GL) - quarterly; (GM) - semi-annually; (GN) - annually; (GO) - monthly; (GP) - quarterly; (GQ) - semi-annually; (GR) - annually; (GS) - monthly; (GT) - quarterly; (GU) - semi-annually; (GV) - annually; (GW) - monthly; (GX) - quarterly; (GY) - semi-annually; (GZ) - annually; (HA) - monthly; (HB) - quarterly; (HC) - semi-annually; (HD) - annually; (HE) - monthly; (HF) - quarterly; (HG) - semi-annually; (HH) - annually; (HI) - monthly; (HJ) - quarterly; (HK) - semi-annually; (HL) - annually; (HM) - monthly; (HN) - quarterly; (HO) - semi-annually; (HP) - annually; (HQ) - monthly; (HR) - quarterly; (HS) - semi-annually; (HT) - annually; (HU) - monthly; (HV) - quarterly; (HW) - semi-annually; (HX) - annually; (HY) - monthly; (HZ) - quarterly; (IA) - semi-annually; (IB) - annually; (IC) - monthly; (ID) - quarterly; (IE) - semi-annually; (IF) - annually; (IG) - monthly; (IH) - quarterly; (II) - semi-annually; (IJ) - annually; (IK) - monthly; (IL) - quarterly; (IM) - semi-annually; (IN) - annually; (IO) - monthly; (IP) - quarterly; (IQ) - semi-annually; (IR) - annually; (IS) - monthly; (IT) - quarterly; (IU) - semi-annually; (IV) - annually; (IW) - monthly; (IX) - quarterly; (IY) - semi-annually; (IZ) - annually; (JA) - monthly; (JB) - quarterly; (JC) - semi-annually; (JD) - annually; (JE) - monthly; (JF) - quarterly; (JG) - semi-annually; (JH) - annually; (JI) - monthly; (JJ) - quarterly; (JK) - semi-annually; (JL) - annually; (JM) - monthly; (JN) - quarterly; (JO) - semi-annually; (JP) - annually; (JQ) - monthly; (JR) - quarterly; (JS) - semi-annually; (JT) - annually; (JU) - monthly; (JV) - quarterly; (JW) - semi-annually; (JX) - annually; (JY) - monthly; (JZ) - quarterly; (KA) - semi-annually; (KB) - annually; (KC) - monthly; (KD) - quarterly; (KE) - semi-annually; (KF) - annually; (KG) - monthly; (KH) - quarterly; (KI) - semi-annually; (KJ) - annually; (KK) - monthly; (KL) - quarterly; (KM) - semi-annually; (KN) - annually; (KO) - monthly; (KP) - quarterly; (KQ) - semi-annually; (KR) - annually; (KS) - monthly; (KT) - quarterly; (KU) - semi-annually; (KV) - annually; (KW) - monthly; (KX) - quarterly; (KY) - semi-annually; (KZ) - annually; (LA) - monthly; (LB) - quarterly; (LC) - semi-annually; (LD) - annually; (LE) - monthly; (LF) - quarterly; (LG) - semi-annually; (LH) - annually; (LI) - monthly; (LJ) - quarterly; (LK) - semi-annually; (LL) - annually; (LM) - monthly; (LN) - quarterly; (LO) - semi-annually; (LP) - annually; (LQ) - monthly; (LR) - quarterly; (LS) - semi-annually; (LT) - annually; 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(QA) - semi-annually; (QB) - annually; (QC) - monthly; (QD) - quarterly; (QE) - semi-annually; (QF) - annually; (QG) - monthly; (QH) - quarterly; (QI) - semi-annually; (QJ) - annually; (QK) - monthly; (QL) - quarterly; (QM) - semi-annually; (QN) - annually; (QO) - monthly; (QP) - quarterly; (QQ) - semi-annually; (QR) - annually; (QS) - monthly; (QT) - quarterly; (QU) - semi-annually; (QV) - annually; (QW) - monthly; (QX) - quarterly; (QY) - semi-annually; (QZ) - annually; (RA) - monthly; (RB) - quarterly; (RC) - semi-annually; (RD) - annually; (RE) - monthly; (RF) - quarterly; (RG) - semi-annually; (RH) - annually; (RI) - monthly; (RJ) - quarterly; (RK) - semi-annually; (RL) - annually; (RM) - monthly; (RN) - quarterly; (RO) - semi-annually; (RP) - annually; (RQ) - monthly; (RR) - quarterly; (RS) - semi-annually; (RT) - annually; (RU) - monthly; (RV) - quarterly; (RW) - semi-annually; (RX) - annually; (RY) - monthly; (RZ) - quarterly; (SA) - semi-annually; (SB) - annually; (SC) - monthly; 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(UG) - monthly; (UH) - quarterly; (UI) - semi-annually; (UJ) - annually; (UK) - monthly; (UL) - quarterly; (UM) - semi-annually; (UN) - annually; (UO) - monthly; (UP) - quarterly; (UQ) - semi-annually; (UR) - annually; (US) - monthly; (UT) - quarterly; (UU) - semi-annually; (UV) - annually; (UW) - monthly; (UX) - quarterly; (UY) - semi-annually; (UZ) - annually; (VA) - monthly; (VB) - quarterly; (VC) - semi-annually; (VD) - annually; (VE) - monthly; (VF) - quarterly; (VG) - semi-annually; (VH) - annually; (VI) - monthly; (VJ) - quarterly; (VK) - semi-annually; (VL) - annually; (VM) - monthly; (VN) - quarterly; (VO) - semi-annually; (VP) - annually; (VQ) - monthly; (VR) - quarterly; (VS) - semi-annually; (VT) - annually; (VU) - monthly; (VV) - quarterly; (VW) - semi-annually; (VX) - annually; (VY) - monthly; (VZ) - quarterly; (WA) - semi-annually; (WB) - annually; (WC) - monthly; (WD) - quarterly; (WE) - semi-annually; (WF) - annually; (WG) - monthly; (WH) - quarterly; (WI) - semi-annually; (WJ) - annually; (WK) - monthly; (WL) - quarterly; (WM) - semi-annually; (WN) - annually; (WO) - monthly; (WP) - quarterly; (WQ) - semi-annually; (WR) - annually; (WS) - monthly; (WT) - quarterly; (WU) - semi-annually; (WV) - annually; (WW) - monthly; (WX) - quarterly; (WY) - semi-annually; (WZ) - annually; (XA) - monthly; (XB) - quarterly; (XC) - semi-annually; (XD) - annually; (XE) - monthly; (XF) - quarterly; (XG) - semi-annually; (XH) - annually; (XI) - monthly; (XJ) - quarterly; (XK) - semi-annually; (XL) - annually; (XM) - monthly; (XN) - quarterly; (XO) - semi-annually; (XP) - annually; (XQ) - monthly; (XR) - quarterly; (XS) - semi-annually; (XT) - annually; (XU) - monthly; (XV) - quarterly; (XW) - semi-annually; (XZ) - annually; (YA) - monthly; (YB) - quarterly; (YC) - semi-annually; (YD) - annually; (YE) - monthly; (YF) - quarterly; (YG) - semi-annually; (YH) - annually; (YI) - monthly; (YJ) - quarterly; (YK) - semi-annually; (YL) - annually; (YM) - monthly; (YN) - quarterly; (YO) - semi-annually; (YP) - annually; (YQ) - monthly; (YR) - quarterly; (YS) - semi-annually; (YT) - annually; (YU) - monthly; (YV) - quarterly; (YW) - semi-annually; (YZ) - annually; (ZA) - monthly; (ZB) - quarterly; (ZC) - semi-annually; (ZD) - annually; (ZE) - monthly; (ZF) - quarterly; (ZG) - semi-annually; (ZH) - annually; (ZI) - monthly; (ZJ) - quarterly; (ZK) - semi-annually; (ZL) - annually; (ZM) - monthly; (ZN) - quarterly; (ZO) - semi-annually; (ZP) - annually; (ZQ) - monthly; (ZR) - quarterly; (ZS) - semi-annually; (ZT) - annually; (ZU) - monthly; (ZV) - quarterly; (ZW) - semi-annually; (ZZ) - annually.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like American International Group, American International Group, etc.

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Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last, Chg, %Chg. Lists various stocks like American International Group, American International Group, etc.

Curb Pay, China Tells State Firms

BEIJING — China announced Tuesday a tough new step in its anti-inflation campaign...

Under new regulations worked out by government agencies, only profit-making enterprises will be allowed to increase wages and bonuses...

In a liberalizing move last year, officials were told to hand over decision-making power to state enterprises in 14 areas, including salaries...

The state oil company has already moved 150,000 workers to jobs in service industries.

Singapore Details Sell-Off Telecom Offering Is Held to 6% to 8%

SINGAPORE — The government will sell 6 percent of Singapore Telecommunications Pte. in October...

Because of its size, the government will sell Singapore Telecom shares in stages, spaced out over several years...

Analysts said the size of the offering was well below market expectations of around a 15 percent stake...

The government plans to retain majority control of Singapore Telecom and expects to sell only as much as 25 percent of the company over the next five to seven years.

The first sale will consist of between 900 million and 1.2 billion shares, with about half of them being Group C shares...

The government plans a second offering of Singapore Telecom shares within three years, but at least one year after the initial offering...

He said the government would conduct surveys until October to gauge public response to the offer and decide the number of shares to be sold and their prices.

High Yen Pressures Earnings at Canon

TOKYO — Canon Inc. blamed the surging yen Tuesday for a 61 percent drop in profit in the first half of the year.

Canon, the maker of cameras, photocopiers and office equipment, announced that parent profit in the six months to June 30 totaled 15.54 billion yen (\$153 million)...

The yen has strengthened about 20 percent against the dollar since January. The dollar ended at 101.55 yen in Tokyo on Tuesday.

Of Canon's sales in the first half of 1993, 79 percent came in overseas markets and 21 percent were from the domestic market.

Despite the yen's rise, Canon is maintaining the earnings forecast it announced in May...

"Once the government comes up with steps to stimulate domestic demand and loosen official discount rate is cut, there is a good chance that the yen will rapidly fall," Canon said.

The Iron and Steel Federation said Tuesday that the appreciation of the yen was having a "critical" impact on Japan's economy...

"The yen's latest advance has created a critical situation for the Japanese economy, especially in the manufacturing sector," the federation said in urging "financial and monetary measures, including income-tax cuts," to help increase demand.

Investor's Asia

Table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and other regional indices with their respective values and changes.

Sources: Reuters, AFP International Herald Tribune

Wharf to Get New Chairman

HONG KONG — Wharf (Holdings) Ltd. announced Tuesday that Peter Woo would step down as chairman of the real estate and hotel conglomerate next year...

Mr. Woo, who is the son-in-law of the late shipping magnate Sir Yue-kong Pao, will be replaced by George K. Lam, currently Wharf's deputy chairman and chief executive...

The company also reported six-month profit Tuesday. Net profit climbed 44.2 percent in the first half, ended June 30, to 1.38 billion Hong Kong dollars (\$178 million)...

Several analysts said they were considering raising their full-year forecasts for Wharf after the results.

Peter Churchrose, Morgan Stanley Asia's regional research director, said he would probably revise his projection upward to about 2.75 billion from 2.64 billion...

Behind expanding its Omni hotel chain, the group is going into broadcasting. Wharf's new franchise project, Cable TV, the first multichannel subscription television service in Hong Kong, is expected to start broadcasting on Oct. 31.

Daiwa May Lend a Hand

TOKYO — Daiwa Securities Co. plans to bail out two affiliated companies that each hold about 50 billion yen (\$493.3 million) of nonperforming loans...

The newspaper said Daiwa Building Co., an affiliate of Daiwa Securities, would set up a new company to buy property assets from Daiwa Finance Co. and Nippon Investment Finance Co...

The two companies are holding the properties as collateral on the loans.

Daiwa Finance is a credit-card company, and Nippon Investment Finance is a venture-capital company, the Daiwa spokesman said.

Seoul Institutes Lower Projections

SEOUL — South Korean research institutes lowered their annual growth projections Tuesday as the government acted to buffer small and medium-sized companies from a credit crunch...

Four major think tanks predicted that the "real-name" system would lower growth 0.2 to 0.6 percent from the 5.0 to 6.1 percent they had predicted earlier this year.

A Finance Ministry spokesman, meanwhile, said the ministry had decided to give small and medium-sized companies an additional \$875 million in funds to see them through the crunch caused by paralysis of the curb lending market.

Time Postpones Japan Edition

TOKYO — Discouraged by a long slump in the advertising market, Time Warner Inc. said Tuesday that it had postponed indefinitely plans to launch a Japanese version of its standard-bearing magazine, Time.

Teruhiko Okawa, the magazine's regional director for Japan, cited an estimate by the advertising giant Dentsu Inc. that the overall Japanese advertising market had contracted about 10 percent so far this year.

Time had planned to launch its Japanese edition in the fall of 1994 with an initial circulation of 150,000 to 200,000.

APPLES: In a Case Symbolizing U.S.-Japan Disputes, Washington Farmers Are Growing Forbidden Fruit

Continued from Page 1 Washington state, who raise half the nation's crop and ship their fruit to 24 countries, including several in Asia, have taken the first step to bring trade sanctions against Japan.

And at a recent food fair in Japan, American apple growers had a barren display with a sign that read, "Empty boxes, empty promises."

"We have gone through every hoop they have asked us to go through, and we're just fed up," said Doug Evely, an apple grower and shipper here. "We've had people tearing out pear trees and vineyards and rose bushes so they wouldn't be near these special orchards. Then, we get this close and the Japanese move the goal posts again. We can't win."

can say they have done this, but the Japanese say other scientific concerns remain.

The Americans, from the growers here to the highest reaches of the government, say it is a clear-cut issue. As such, apples have become the symbol of President Bill Clinton's effort to open Japanese markets by appealing to the consumer.

Two weeks ago, the administration demanded that Japan take steps to import American apples beginning with next year's crop.

of apples from New Zealand, have yet to respond to the specific complaints of the letter. But in the past, Japanese agriculture officials raised concerns about the possibility of pests infecting their own fruit if American apples were allowed into Japan.

"What Japan needs is for the United States to prove that its apples are safe," Kenji Nakano, a spokesman for the Japanese Embassy in Washington, said. "This is not a political issue. It is purely a technical one."

With the United States running a \$50 billion trade deficit with Japan, apples are a relatively small item on the bargaining table. But, as Mr. Kantor said in his letter, the issue has become "highly symbolic."

behind Japanese protectionism. They contend that Washington apples, marketed for lunch buckets and snacks, would not cut into the markets of Japanese growers because the addition of American varieties would complement the more delicate Japanese product, change eating habits and expand the market.

"Here you have an industry that has played by the rules, done everything right, and in the end still cannot get into Japan," said Bill Bryant, an agricultural trade consultant in Seattle. "Now it's becoming symbolic of blatant, unfair trading policies."

Although they demanded that Japan take steps that would lead to apple imports by next year's harvest, some growers here have given up hope that diplomacy will work. They want to use the stick of reciprocal trade sanctions.

As for all those well-tended apples fattening on isolated trees near the Columbia River — perhaps as many as 25 million pieces of fruit — the growers say they will try to sell them to some other country.

Large financial table titled 'AMEX' containing various market data, stock prices, and exchange rates across multiple columns.

# SPORTS THE JORDAN MURDER

## Suspects Inseparable Pals — Except When in Prison

Compiled by Our Staff From Dispatches  
**LUMBERTON, North Carolina** — Larry Martin Demery and Daniel Andre Green, the two 18-year-olds who have been charged with first-degree murder in the robbery-slaying of James Jordan, have spent most of their lives together, according to a law enforcement official involved in the case.

"They started school together, they've been together day-in and day-out except when... was in prison," Robeson County Sheriff Hubert Stone said following the high school dropouts' arraignment Monday on charges of armed robbery, conspiracy and first-degree murder involving the father of the basketball star Michael Jordan.

Green, who was 15 when he tried to kill a classmate by hitting him in the head with an ax, started cooly ahead as District Court Judge Gary Locklear read the charges that he "willfully and feloniously did of malice aforethought kill and murder James Jordan."

His co-defendant, Demery, whose nine-page criminal record ranges from stealing pastries to allegedly robbing a woman by beating her with a cinder block, began shaking and weeping uncontrollably when the judge, who was read-

ing the charges against him, said the word "murder."

The two slightly-built 18-year-olds answered only "Yes, sir" when Locklear asked if they understood the charges.

The two walked into the courtroom wearing ankle chains but no handcuffs and looked very much like any other teenagers in Robeson County. Demery is stockier, with shoulder-length black hair and the familiar complexion of the area's Lumbee Indians; Green is a slender black youth with close-cropped hair.

As Green was led into the courtroom, he responded to reporters' questions by saying, "No, I didn't shoot him. I didn't kill him. I didn't."

Stone also said that a National Basketball Association championship ring that Michael Jordan had given his father had been found wrapped in a bag buried in a remote area and that Green and Demery had told the police where it was.

"They both said they wanted some money," said Mark Locklear, chief investigator of the Robeson County sheriff's department. "One said he wanted money because he didn't have any. The other indicated

he needed money because he needed to pay his parole officer."

Green had left prison in June after an assault conviction and was having trouble scraping together the \$45 a month in restitution and fees, Locklear said.

Court records and interviews revealed a grim picture of Green's and Demery's previous encounters with the law. And their records have sparked criticism of the pace of county and state judicial systems.

Demery was indicted in December on charges of armed robbery and assault with a deadly weapon with intent to kill. The indictment charges Demery with assaulting Wilma R. Dial and stealing \$7 in cash, plus jewelry and other items worth more than \$400.

Although Demery allegedly attacked Dial, a 61-year-old convenience store clerk, with a cinder block, the indictment also charges him with "having in his possession and threatening the use of a .38-caliber pistol," the same caliber of gun used to kill Jordan.

Demery was scheduled to stand trial on the charge Aug. 4, the day after Jordan's decomposed body was discovered in a creek in South Carolina. It was also Demery's 18th birthday.



Daniel Green, center front, and Larry Demery, behind him, being escorted under heavy police guard into the Robeson County Courthouse in North Carolina, where it was charged that they "willfully and feloniously did of malice aforethought kill and murder James Jordan."

Gary O'Brien/Agence France-Press

High Rogers, the court-appointed attorney who is representing Demery in both the Dial and the Jordan cases, said Demery's case was scheduled for trial that day but was never called because too many other trials were under way.

Court records indicate that Demery also was scheduled to be tried Aug. 11 on three forgery charges filed in October 1991.

The records indicate that Demery was slated for two trials in July on two breaking-and-entering and larceny charges stemming from an incident Sept. 15, 1991. On that date, the records state, Demery allegedly broke into two stores and stole cigarettes, 121 cigarettes

lighters, rolling papers, a cap, work gloves, two boxes of bubble gum, three boxes of Moon Pies and 28 honey buns and cakes.

None of those cases came to trial, according to court records.

Dial, who was hospitalized for two weeks with serious head injuries after she was attacked at 1:40 A.M. as she walked to her car outside the convenience store where she worked, said that if Demery had "been in jail, this [the Jordan killing] wouldn't have happened."

Robeson County District Attorney Richard Townsend said he did not know the specifics of previous cases against Demery, but that his

office has about 1,000 cases currently pending.

Court records indicate that of the 14 charges Demery has faced since September 1991, when he was 16, only two — stemming from a 1991 breaking-and-entering case, in which he received a year's probation — have been decided by a judge.

Townsend said his county's record of bringing cases to trial was not unusual. "We're like everybody else," he said.

The father of the boy who was struck by Green's ax also was harshly critical of the local judicial system. Green was paroled two months ago after serving two years

of a six-year sentence for assault with a deadly weapon with intent to kill in the September 1990 incident.

Melvin Ellison said his son, Robert, spent several months in a coma and a year in the hospital after Green smashed the top of his head with an ax, apparently in a dispute over a girl, Robert Ellison, 18, said, far from the experience, according to his father.

"The judicial system stinks," Ellison said.

Townsend said most state prisoners serve an average of 20 percent of their sentences before parole and that Green had served more than most.

Stone, amplifying on statements made the day before, said Green and Demery came upon Jordan as he was sleeping in his Lexus sedan between 2 and 3 A.M. on July 23. Jordan had pulled over to nap on a small utility road off U.S. 74 as he was driving from a friend's home near Wilmington to his home in Union County, near Charlotte.

"He awakened, and when he awakened the guy with the gun got scared and shot him," said Stone.

The sheriff said investigators have determined which one was the triggerman. But Stone refused to name him. The gun has not been recovered.

(WP, NYT, AP)

## Ojeda 'Turns Page' But Blue Jays Win Game on Homers

Bob Ojeda continued his comeback from a tragic loss by returning to the Cleveland Indians' starting rotation with a disappointing but gutsy 4-1 loss to the Toronto Blue Jays.

The Blue Jays, with their third straight victory, took a half-game lead in the American League East over the New York Yankees, whose game was rained out.

Five months after he was seriously injured in the Florida boating accident that killed two teammates, Ojeda fulfilled Monday night a promise he had made to himself in June, when he said: "I need to get up. I need to turn the page."



Bob Ojeda: First inning was a struggle.

Almost predictably, the first inning was a struggle. After waving to the crowd to acknowledge a standing ovation, Ojeda gave up leadoff single to Devon White and consecutive home runs by Roberto Alomar and Paul Molitor.

But then the 35-year-old left-hander's pitching skills kicked in, and he mixed speeds on breaking balls to hold the Blue Jays scoreless the rest of his five innings.

He gave up seven hits, struck out one and walked none, leaving after the fifth because the Indians' manager, Mike Hargrove, had set a limit on his pitchers. Of the 86 pitches Ojeda made, 53 were strikes.

Reliever Bill Werz then gave up a home run to the first batter he faced, John Olerud.

Ojeda had arthroscopic surgery on his left shoulder April 27 for an injury unrelated to the accident. He returned to the Indians' roster Aug. 7 and made two relief appearances — in Baltimore and Milwaukee — before Hargrove gave him the start.

Watching from the stands were Ojeda's wife, Ellen, and Patti Olin, whose husband, Steve, was killed with Tim Lincecum in the March 22 accident. Crews and Olin, both relief pitchers, died when the boat crews was piloting hit a dock in early evening darkness. Ojeda's scalp was torn off and had to be replaced surgically.

Martinez & Olerud 6; Dave Valle, with a single and a double, drove in two runs as Seattle, playing at home, built an 8-2 lead in four innings and handed

Baltimore its seventh straight defeat in a tense game that appeared to carry over harsh feelings arising from a big brawl in June.

The Orioles' losing streak is their longest since an eight-game slide from July 19-27, 1989.

The last time the teams played was June 6, when their 20-minute brawl resulted in seven suspensions. A fight didn't break out this time, but plate umpire Greg Koss warned the Orioles' starter, Rick Sutcliffe, and both benches after Sutcliffe hit Bret Boone on his left arm with a pitch in the first.

In the seventh, the Orioles' Mark Parent lowered his shoulder and threw an elbow at the Mariners' starter, Dave Fleming, after being trapped off third base on a fielder's choice ground out.

Athletics 4, Brewers 1; Rookie Todd Van Poppel held visiting Milwaukee to two hits in 6 1/2 innings to win his fourth straight start as Oakland stopped a four-game losing streak.

Tigers 7, Angels 2; Alan Trammell, Mickey Tettleton and Chris Gomez singled in runs early in the game in California, and Detroit's Bill Guletsnik held on despite allowed two more homers, increasing his total to 19.

Mets 6, Reds 2: In the day's only National League game, Sid Fernandez got his first victory in four months by pitching 7 1/2 solid innings and singing home New York's go-ahead run in Cincinnati.

New York scored four runs in an error-filled seventh to hand the Reds their season-high seventh straight loss.

## 49ers' Bono Latest Hurt

The San Francisco 49ers have nearly run out of quarterbacks.

What once was the National Football League's deepest quarterback corps was reduced to one rookie, Elvis Grbac, but he was sufficient as the 49ers beat the Denver Broncos, 16-13, Monday night.

Grbac engineered two second-half scoring drives after backup Steve Bono's left shoulder was separated late in the first half. Bono will undergo surgery and be sidelined five to eight weeks.

The 49ers, who let Joe Montana go to Kansas City between seasons, already were without starter Steve Young, who has a fractured left thumb but hopes to return for the season opener. And Bill Musgrave, did not suit up because of sore ribs.

Redskins — Tackle Jim Lachey, the three-time All-Pro who was the defensive rookie after a 22-day holdout, was diagnosed as having a completely torn anterior cruciate ligament in his left knee that will likely sideline him for the entire season.

Bengals — Wide receiver Mark Duper, 34, a three-time Pro Bowl selection signed last month when Miami waived him after 11 seasons, was released by Cincinnati.

Buccaners — End Eric Curry signed a contract that reportedly makes him the NFL's highest-paid defensive player at \$1.5 million a year. Terms were not released, but the pact was believed to be worth slightly more than the deals Marvin Jones and John Copeland — the defensive players drafted ahead of Curry — received from the New York Jets and Cincinnati Bengals.

## SCOREBOARD

### BASEBALL

#### Major League Standings

AMERICAN LEAGUE		East Division	
W	L	Pct.	GB
Toronto	49	51	49 1/2
New York	48	51	57 1/2
Boston	44	53	54 1/2
Baltimore	43	56	58 1/2
Detroit	41	60	58 1/2
Cleveland	35	66	72
Milwaukee	48	70	87 1/2

West Division	
W	L
Chicago	44
Kansas City	41
Seattle	38
San Diego	34
Minnesota	32
Oakland	28

NATIONAL LEAGUE		East Division	
W	L	Pct.	GB
Philadelphia	75	43	43 1/2
St. Louis	64	58	52 1/2
Cincinnati	62	60	52 1/2
Chicago	59	60	104 1/2
Pittsburgh	56	63	119 1/2
Atlanta	51	67	124 1/2
New York	41	77	137 1/2

West Division	
W	L
San Francisco	79
Atlanta	77
Houston	61
Los Angeles	59
Cincinnati	57
San Diego	46
Colorado	42

### Monday's Line Scores

Team	Score
Toronto	4-1
Cleveland	6-1
San Diego	2-1
St. Louis	1-0
Los Angeles	1-0
San Francisco	7-2
Atlanta	7-2
Philadelphia	4-1
San Diego	2-1
San Francisco	7-2
Atlanta	7-2
Philadelphia	4-1
San Diego	2-1
San Francisco	7-2
Atlanta	7-2
Philadelphia	4-1
San Diego	2-1

### Japanese Leagues

Team	Score
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0
Yokohama	4-0

### Football

Team	Score
San Francisco	13
Detroit	24
San Francisco	13
Detroit	24
San Francisco	13
Detroit	24
San Francisco	13
Detroit	24
San Francisco	13
Detroit	24

### Transactions

**BASEBALL**  
**AMERICAN LEAGUE**  
 St. Louis — Acquired Mike Pagliarulo, 30, Baltimore, from Minnesota for player to be named later. Designated Anthony Tost, pitcher, for assignment.  
 Houston — Traded George Wilhelm, defensive tackle, to New England for Rich McGehee, linebacker. Released Fred Pile, defensive back.  
**NFL Preseason**  
 San Francisco 13, Denver 13  
 Detroit 24, Houston 20

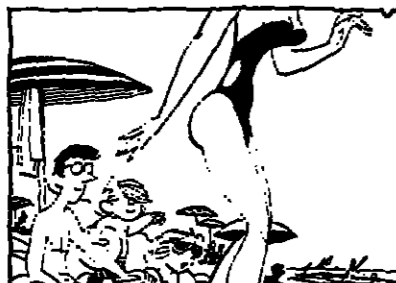
### ATHLETICS

**WORLD CHAMPIONSHIPS**  
**WRESTLING**  
 1. Jeff Hines, United States, 62 kg  
**WOMEN'S 60-KILOMETER FINAL**  
 1. Jennifer Hines, United States, 62 kg  
**BASKETBALL**  
 National Basketball Association  
**GOLDEN STATE** — Signed Andre Spencer, forward, to 1-year contract.  
**PHOENIX** — Signed Joe Klecko, center, to 4-year contract.  
**SAN ANTONIO** — Signed Chris Childs, guard.  
**FOOTBALL**  
 National Football League  
**CHICAGO** — Traded Steve Tillman, offensive lineman, to Atlanta for undrafted 1994 draft pick.  
**CINCINNATI** — Waived Roy Bentley, linebacker; Kyr Sanchez, offensive tackle; and Ron Anderson, offensive guard.  
**CLEVELAND** — Traded George Wilhelm, defensive tackle, to New England for Rich McGehee, linebacker. Released Fred Pile, defensive back.  
**DALLAS** — Released Steve Dominquez, number 32.  
**GREEN BAY** — Signed Tommie Robinson, offensive tackle, to 1-year contract. Reassigned rights to Ron Hollman, offensive guard, making him free agent. Waived Don Pille, offensive lineman; Timmy Sanders, cornerback; Lyle Barry, running back; Rory Brown, offensive tackle; Orlando McKay, wide receiver; and George Thomas, defensive end.  
**HOUSTON** — Signed David Williams, offensive tackle, to 3-year contract.  
**LA RAIDERS** — Released Greg Harris, tight end; Released J.J. Colonna, wide receiver.  
**MIAMI** — Waived Michael Simpson, nose tackle.  
**NEW ORLEANS** — Signed Daniel Szafranski, center, to 1-year contract. Released James Carter, back, to be named later. Released Mike Pate, defensive back, to 3-year contract. Waived Lee Miles, wide receiver; Eric Brown, center; Tim Ducker, offensive tackle; Jim Johnson, pitcher; Brian Kendrick, tight end; and Harris Thomas, end. Thom Kasperer, defensive back.  
**PHOENIX** — Waived Sean Snyder, number 3; Darren Stebbins, end; and Dexter Butcher, wide receiver.

### SOCCER

**CUP WINNERS CUP**  
 Preliminary Round: First Leg  
 Chelsea (London) 0, Accrington (Lancs) 1  
 Ref: Rigg (Luton) 1. However, Thurston (Ipswich) 1.  
**ENGLISH PREMIER LEAGUE**  
 Tottenham 0, Arsenal 1

## DENNIS THE MENACE



"Boy! She sure has a lot of skin, huh, Dad?"

## PEANUTS



I HAVE TO TELL YOU SOMETHING CHARLES. BUT FIRST I WANT TO KNOW IF YOU LIKE ME.

## BLONDIE



HI NORBY! HE HAS THE BOSS IS IN ASBLE TWO

## BETLE BAILEY



HOW DOES THAT HAPPEN? I GET MY DESK CLEAR...

## DOONESBURY



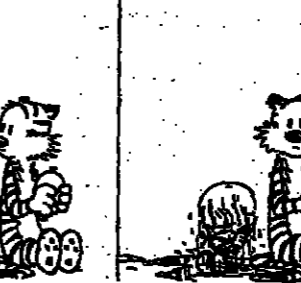
TIME TO PAY THE BILLS FROM OCEA. THE LIGHT BULBS ARE PROBABLY BEING THAT WASTED OUT OF MY EYES.

## WIZARD OF ID



MORNING

## REX MORGAN



IT HAS BEEN A LONG TIME SINCE ANVINE AND THE FLOWERS KETTI... THEY'RE EXQUISITE!

## GARFIELD



GARFIELD A MOUSE JUST STOLE SOME CHEESE.

**JUMBLE** THESE SCRAMBLED WORD GAMES  
 Unscramble these four jumbles to form the names of four ordinary words.  
 GEALE  
 CERDY  
 NEMDIP  
 FARIDA  
 What an inexperienced rider might get when he falls off a horse.  
 Print answers here: \_\_\_\_\_

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**BETLE BAILEY**  
 HOW DOES THAT HAPPEN? I GET MY DESK CLEAR... THEN I TURN MY BACK AND IT'S PILED UP AGAIN!  
 WELL I'LL JUST FILE ALL THIS AND... AHA!!

**DOONESBURY**  
 GOD, WHAT IS IT ABOUT YOU ROBERT? THE LIGHT BULBS ARE PROBABLY BEING THAT WASTED OUT OF MY EYES.  
 OUT HERE IN THE NATURAL WORLD IT'S JUST THE "SUNSHINE" AGAINST CHANGING LIGHT CONDITIONS.  
 THE POWER, THE NEW ENERGY, THE BATTERY!  
 BY USING PROPER SOCIAL POLICIES AND LAWS, I TRY TO BRING THE SUNSHINE BACK TO MY DESKS. HERE COMES THE LIGHT, THE LIGHT, THE LIGHT.  
 WOW... LOOK AT THESE BATTERIES! THEY'RE SO POWERFUL!  
 GOT IT! IT'S MINE! I OWN IT!  
 OWN ME! OWN ME!

**WIZARD OF ID**  
 MORNING  
 HI, CLARENCE  
 WHY IS THE FUNERAL PARLOR ALWAYS THE NICEST HOME IN TOWN?  
 BECAUSE THEY GET FIVE GRAND A DAY FOR RENT

**REX MORGAN**  
 IT HAS BEEN A LONG TIME SINCE ANVINE AND THE FLOWERS KETTI... THEY'RE EXQUISITE!  
 IF I MAY SAY SO...  
 THEY DON'T COMPARE TO HOW YOU LOOK THIS EVENING, GRACE!  
 THANK YOU! WE HAD TO GO NOW!

**GARFIELD**  
 GARFIELD A MOUSE JUST STOLE SOME CHEESE.  
 SHOULD I BE CHASING THIS MOUSE OR SOMETHING?  
 I MEAN, WHAT KIND OF CHEESE ARE WE TALKING ABOUT HERE?

**REX MORGAN**  
 IT HAS BEEN A LONG TIME SINCE ANVINE AND THE FLOWERS KETTI... THEY'RE EXQUISITE!  
 IF I MAY SAY SO...  
 THEY DON'T COMPARE TO HOW YOU LOOK THIS EVENING, GRACE!  
 THANK YOU! WE HAD TO GO NOW!

**GARFIELD**  
 GARFIELD A MOUSE JUST STOLE SOME CHEESE.  
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**REX MORGAN**  
 IT HAS BEEN A LONG TIME SINCE ANVINE AND THE FLOWERS KETTI... THEY'RE EXQUISITE!  
 IF I MAY SAY SO...  
 THEY DON'T COMPARE TO HOW YOU LOOK THIS EVENING, GRACE!  
 THANK YOU! WE HAD TO GO NOW!



SPORTS ATHLETICS

For Reynolds and Konchallah, Victories Even in Their Defeats

By Ian Thomsen
STUTTGART — Crouching in the outskirts of lane No. 7 was Burt Reynolds...

he had a runner from Kenya, in a different race, were attempting to trim a few hundredths of a second from a deficit they measure in years.

not being able to breathe. He was examined for more than a year without relief. He says the doctors were certain he had malaria or another tropical disease.

was just a matter of luck in I was ready," he said. In this world championship's 800 meters, the favorite once more was 31-year-old Billy Konchallah...

Down the final stretch he was in the third passing lane, where the Ferraris flash their lights at you. In the final 20 meters it became obvious that he could not make up the distance.

he stood. Approaching the second turn he could see the Nigerian, Sunday Bada, coming up on his left shoulder. Did that push him? He was pushing as hard as he knew how...

Fourth was Watts, in 45.05 seconds, after the sole appeared to come loose from his shoe. Third was Samson Kitur of Kenya in 44.54, while Johnson ran the year's best time of 43.65.

"I'm happy with my time," he would say a few minutes later. His time was 44.13 seconds, faster than he might have thought a couple of years ago.

New Doubts Are Cast on Tapie's Alibi

LILLE, France — Judicial officials on Tuesday detained the chief of staff of Jacques Mellick, the member of parliament who has become a key figure in the Olympique Marseille bribery case...

Joyner-Kersey Runs Down Braun in 800, Wins Heptathlon

STUTTGART — Jackie Joyner-Kersey won the heptathlon title Tuesday at the World Athletic Championships by finishing ahead of Sabine Braun of Germany in the last event, the 800-meter race.



Jackie Joyner-Kersey fared badly in the javelin, falling seven points behind Sabine Braun with only the 800 to go.

Miles trailed Tatiana Alekseyeva of Russia with 50 meters to go but put in a strong finishing kick to finish in 49.82 seconds, the best time of the season.

Kaiser-Brown finished in 50.17, just beating Richards, who clocked 50.44. The 400 meters was considered a soft final at the championships since the defending champion and the top performers of the year skipped the event to run in the 200.

UEFA, Looking Eastward, Should Heal Itself

LONDON — Can soccer do for Eastern Europe what it has done for Western Europe and political leaders shrunk from? The Union of European Football Associations (UEFA) intends to try.

Whether the money has been squandered, or whether the impulse to hold out the hand for more still exists, it is a strange comment on a sport estimated to turn over \$130 billion a year worldwide.

man fees Berlusconi paid to players and their insatiably greedy agents. Agnelli says stop, or at least slow down. We have yet to hear such rationale from Berlusconi, but surely investors in his Fininvest empire will bring him to heel?

SIDELINES

FRENCH YOUTH WINS CYCLING TITLE
HARAR, Norway (Reuters) — French teenager Florian Rousseau shock the world's top kilometer specialists Tuesday by winning the first gold of the world track cycling championships...

For the Record
The Edinburgh Oilers said they had agreed to terms with three top European players: former national team captain and Olympian defenseman Ilya Bryzgalov of Russia and left wings Alexander Kerch of Latvia and Oleg Malinof of Russia.

Quotable

Past flowers, who own a pizzaria in Frankfurt, Indiana, on the hype surrounding the filming of the movie "Blue Chips." "We look like a kick town, we're making so much out of this. Of course, we are a kick town."

INTERNATIONAL CLASSIFIED (Continued From Page 8). ESCORTS & GUIDES: BELLE EPOCH THE ESCORT SERVICE, LONDON & PARIS. MERCEDES: LONDON ESCORT AGENCY. GENEVA & PARIS. ZURICH: Zurich New & Used Cars.

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OBSERVER

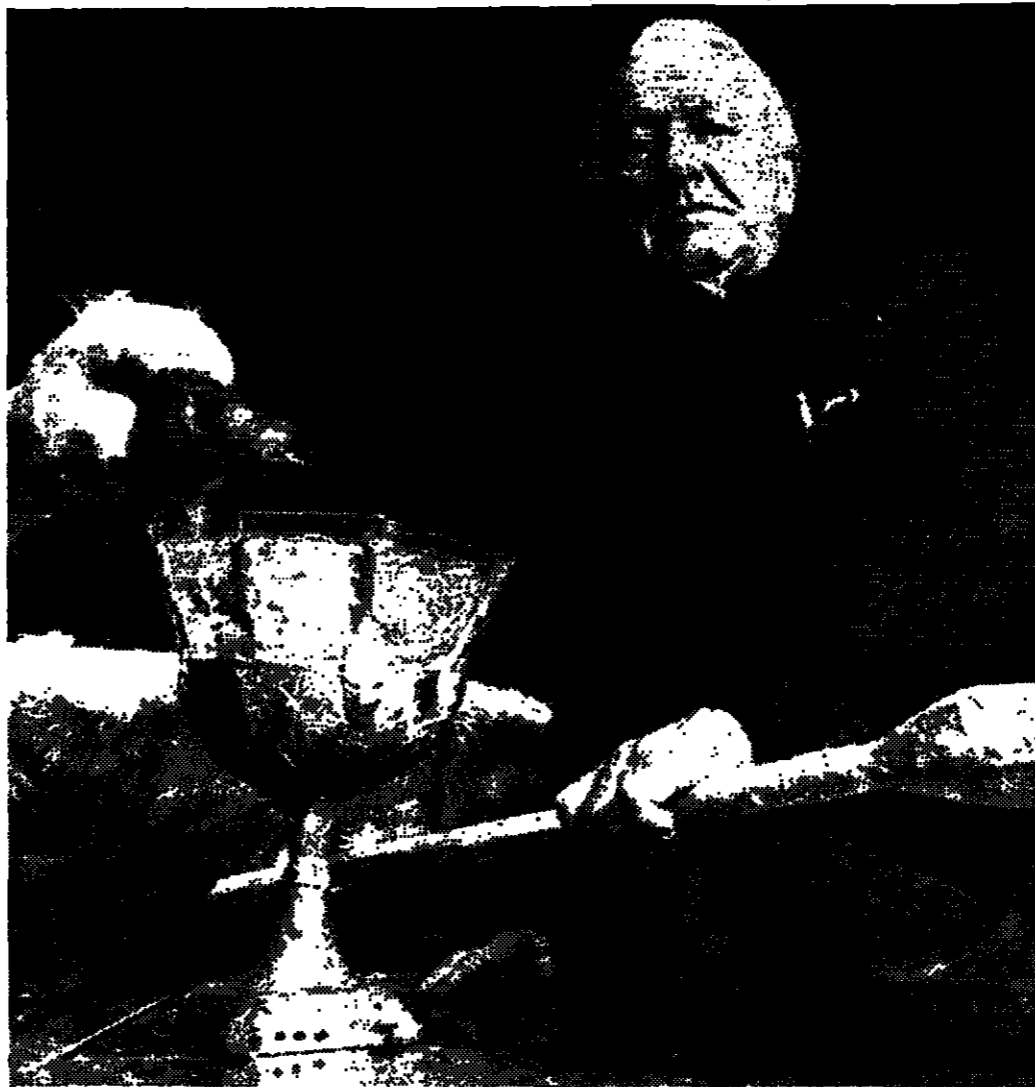
Meteoric Mood Swings

By Russell Baker
NEW YORK — Afterward it was said that the extraordinary meteoric mood swings in human nature do not "just happen," but can result only from extraterrestrial influences.

last great hope of personhood. It's time to start feeling good again.
Then at week's end came Ross Perot's historic move. No longer would he continue to badger President Clinton about not reducing the deficit, Perot announced.

Bayreuth Offstage: Another Nasty Twilight

By John Rockwell
New York Times Service
BAYREUTH, Germany — In dead earnest, the participants compare it to the House of Atreus or, closer to home, Wotan and his extended family of Germanic gods.



Amid "Parsifal" props, the autocrat of Bayreuth: Wolfgang Wagner, grandson of Richard Wagner.

conductors as "alibi Jews," banned Gottfried from Bayreuth in 1990. "Henceforth, both in Bayreuth and elsewhere," he wrote by fax, "an absolute distance between you and me must be maintained."

been a good Hauswart, or manager, and that the family battles are by now more personal than ideological.
Technically, neither Wolfgang nor any other family member can determine the Bayreuth succession.

PEOPLE

A September Wedding For John Jr. and Daryl?

John F. Kennedy Jr., son of the late president, will wed actress Daryl Hannah, possibly as early as next month, said The New York Daily News. Citing sources close to the Kennedy family, the paper said that Jacqueline Kennedy Onassis was beginning wedding preparations and the wedding could take place as early as Sept. 11. It said that the couple reportedly obtained a marriage license in California.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Clues include: 1 Macbeth or Macduff, 2 Kind of chance, 3 Group character, 4 Eye shade?, 5 Essen's valley, 6 It's a question of place, 7 "Of wath" in a hymn, 8 Sector, 9 Hailing geese bumps, 10 Pacino-Cazale movie: 1975, 11 Stake's partner, 12 Actress Salonga, 13 Traveler's stop, 14 Covered, 15 Snug bug's place, 16 Hootenanny outburst, 17 Smelly, 18 "Ain't it a...?", 19 Potter film: 1971, 20 "plan, a canal, Panama", 21 Freudian concepts, 22 Cloud over cities, 23 Lolo, neighbor, 24 First drawing, 25 Evil, in France, 26 Monkey's uncle, maybe, 27 Alkiba ben Joseph, for one, 28 French-Italian comedy: 1978, 29 Musical talent, 30 "that hunger now...": Luke 6:21, 31 High point, 32 Marx or Malden, 33 Noon signal, 34 Like McCoy?, 35 Pound the post, 36 Cavalry sword, 37 Droop-nosed fish: Abbr., 38 Clean a pipe, 39 Bosoy comment?, 40 H.S. course, 41 Charles or Bradbury, 42 One half of a Gabor name, 43 "Norma", 44 To's opposite, 45 Song from "West Side Story", 46 Record holder for World Series hits, 47 Former TV host Jack..., 48 Flame or fire, 49 Record holder for World Series hits, 50 Muslims' faith, 51 Glaswegian gal.

WEATHER

Weather forecast section including maps for Europe, Asia, and North America, along with temperature and precipitation data for various regions.

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Table titled 'AT&T Access Numbers' listing international dialing codes for various countries and regions.

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